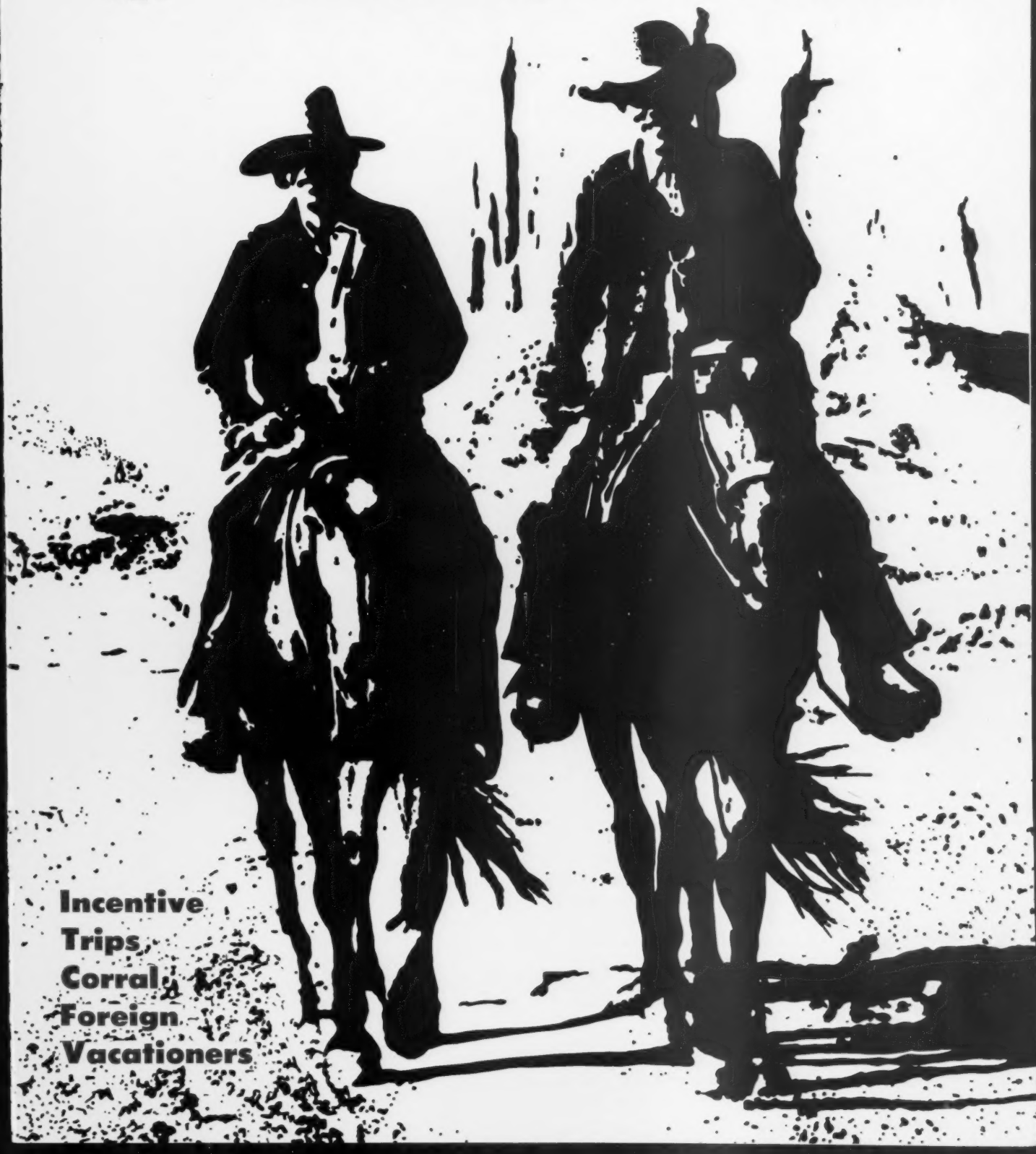
MAY 26, 1975

Commerce Today



Incentive Trips Corral Foreign Vacationers

FROM THE SECRETARY

Supporting The Bicentennial

This column was written by John W. Warner, Administrator of the American Revolution Bicentennial Administration.

John W. Warner

I am hopeful that businessmen will realize the urgency and the potential of their joining the tens of thousands of citizens, officials, church groups, young people and foundation members already involved in making the Bicentennial a celebration worthy of our nation's preeminent position in the world.

Already corporate support is evident in such projects as financing the Freedom Train (Pepsi-Cola Company, General Motors Corporation, Prudential Insurance Company of America and Kraft Foods), refurbishing the Statue of Liberty (American Express), making a massive gift of specially arranged music of America's past and present to high school bands and orchestras (J. C. Penney) and touring a major exhibition "The World of Franklin and Jefferson" (IBM Corporation). Unfortunately, however, the corporate participation falls far short of the need.

There is a dire need for corporate support of many Bicentennial projects, local, national and international. There is the Mid-America All Indian Center which nearly 2.9 million Americans are expected to attend in Wichita, Kansas. Ten million people will be visiting the Chicago Museum of Science and Industry's exhibit, "America's Inventive Genius." Each of these projects needs funding.

Many other programs in which millions of people will be participating which need support, include Farmfest '76, a salute to the American farmer to be held at Lake Crystal, Minnesota; Reading is FUN-damental (RIF), which has set a Bicentennial goal of reaching five million children with 25 million books; the World Food Conference, which will draw scholars, scientists and students from all over the world to Iowa State University; a national exhibit on "The Role of Blacks in U.S. Economic Life," which will visit the nation's 20 largest cities during 1976; the U.S. Capitol in Sound and Light, a nightly historical drama at the Capitol building in Washington; and Operation Sail '76 which already has signed up 55 tall-masted sailing ships from 20 foreign countries to congregate in New York Harbor on July 4, 1976.

The American Revolution Bicentennial Administration stands ready to assist, through its Private Sector staff and use of its Binet (Bicentennial Information Network) computer, in locating such programs and events. Funding requirements range from a few thousand dollars into the millions.

The United States Bicentennial will lay the cornerstone of our third century as a nation. We are celebrating the participatory nature of our form of government and our free enterprise system.

I urge American businessmen, who benefit most from that free enterprise system, to accept the responsibility and opportunity of our nation's cause, its Bicentennial celebration.

Commerce Today

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COVER: *U.S. firms operating abroad as well as foreign firms are planning incentive travel programs by which their employees can earn free vacations in the U.S. Whether they come to the plains and mountains of the West or the vacation spots along U.S. coasts, they are part of a plan to improve productivity, and employee/company relations, not to mention the assist it gives the U.S. balance of payments. Story begins on page 5.*

ECONOMIC HIGHLIGHTS

Retail Sales On A Moderate Upward Trend; Stronger Recovery Expected After Tax Cuts

Economic Highlights is prepared by James L. Pate, Assistant Secretary of Commerce for Economic Affairs.

In retrospect, the decline in retail sales appears to have "bottomed out" last November. The signs remain tentative and they suggest only a moderate rather than a sharp recovery in sales. The overall impression is also somewhat clouded by the varied performances of the retail components. A major imponderable factor for the near term is the effect that the tax rebates and reductions will have on consumer expenditures throughout 1975.

In nominal terms, retail sales have pursued an upward path since November with the single exception of the March decrease. This performance follows that of 1974, which started with a first quarter somewhat buffeted from the effects of the oil embargo. Sales rose to a jagged peak in August. As the rate of economic activity continued to decline, sales fell off sharply in the fall.

Increases in constant dollar sales in the first half of 1974 were negligible. Moreover, the August rise was not as sharp as it appeared to be when expressed in current dollars. The bottom in real retail sales was spread out across November-December of last year, and the increases from that low point were much more hesitant than the current dollar increases. With the steadily decreasing rate of inflation in 1975, sales performances in real and nominal terms have paralleled one another more closely than in 1973 and 1974 when the two measures often moved in opposite directions.

A new method is currently being used to deflate retail sales. Formerly, current dollar sales were divided by the commodity component of the Consumer Price Index. In the new method, more specific deflators are assigned to categories for cars, lumber, gas and "all others," and the deflated values are then summed to get the deflated sales totals. The new deflator therefore represents an approximation to what might be obtained by weighting current price relatives by the quantity of each commodity purchased. The new deflator is consistent with the method used for deflating Personal Consumption Expenditures in the National Income and Product Accounts.

As mentioned at the outset, the behavior patterns of the various components of retail sales have varied widely during the recent recovery. Apparel has shown the greatest relative increase (about 11 percent) in sales since the November low. This followed a less than 1 percent increase in the preceding six months (May through October). Despite recent hesitation, automobile sales have risen 8½ percent above their trough last November. More moderate increases have occurred in general merchandise since the low in December. In the second and third quarters of 1974, sales in this category were largely unchanged. Gasoline and food sales have averaged a modest 3 percent rise since the end of last year. Furniture, which peaked in July, is one of the few categories that has continued to show sales declines. Since a high proportion of sales in this category is closely linked with homebuilding, however, any significant increases in sales of home furnishings may not occur until well after a recovery in homebuilding.

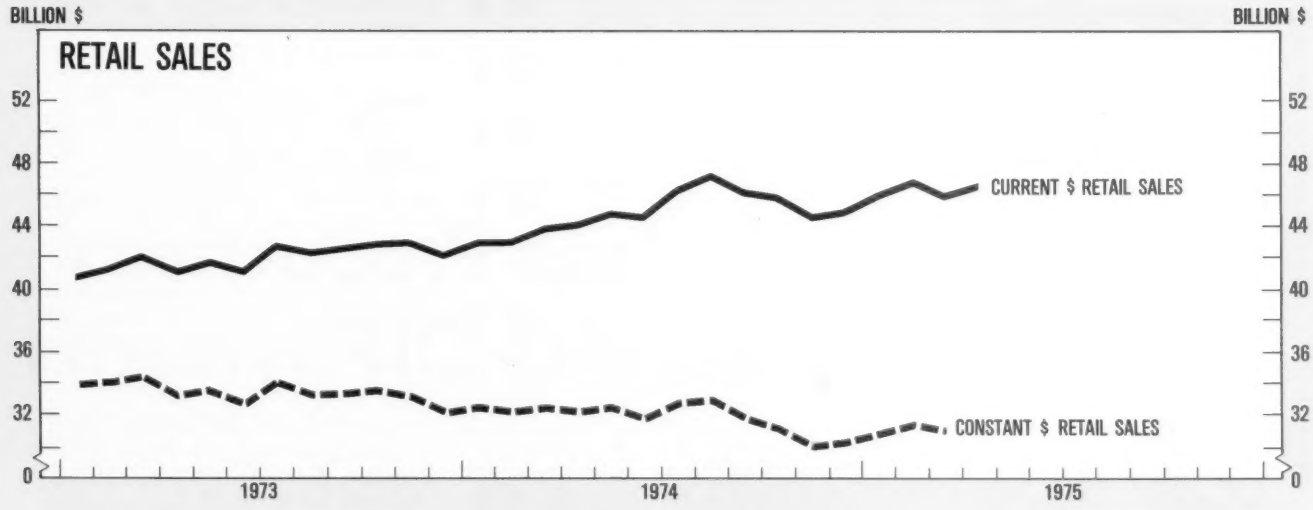
The impact of the Tax Reduction Act of 1975 is difficult to anticipate with precision. The greatest impact of the rebate is expected to occur in the latter part of the second quarter and throughout the third quarter. Additionally, tax cuts which result from the lower withholding rates will be distributed through the remainder of the year.

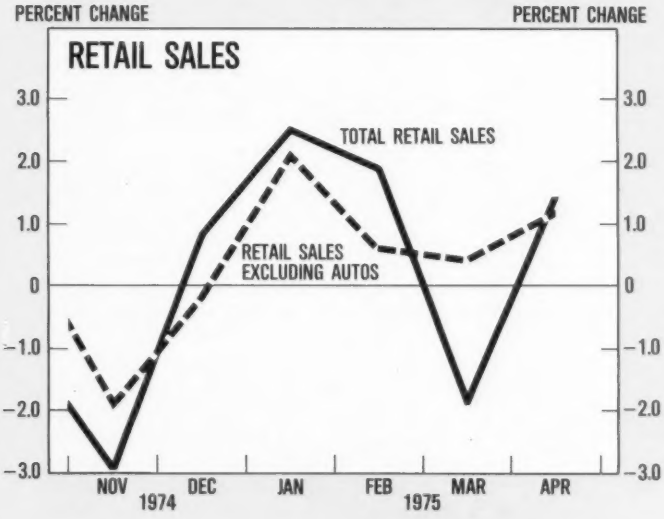
The effect of these tax changes on consumer spending is particularly difficult to judge for several reasons. First, they are more temporary than a permanent income gain and as a result consumers may not change their spending patterns significantly. Second, there are uncertainties as to the way the additional income will be spent in a time of generally declining real incomes as opposed to the choices made in times of rising real incomes. Third, the consumer appears to be presented with several equally attractive alternatives: a) he can either put the rebate money into savings; b) he can pay off existing installment debts and c) the money can be spent on goods and services. If either of the first two alternatives are chosen, consumers will be adding to or rebuilding their liquidity position. A further strengthening of their liquidity position would support a surge in consumer spending, but it would take place somewhat later than mid-1975. If the last alternative is chosen, the most likely candidates for expenditures would appear to be nondurable goods such as apparel, food, general merchandise and low-ticket durables. For many individuals, the amount of the rebate will not provide sufficient incentive for the purchase of big-ticket durable items.

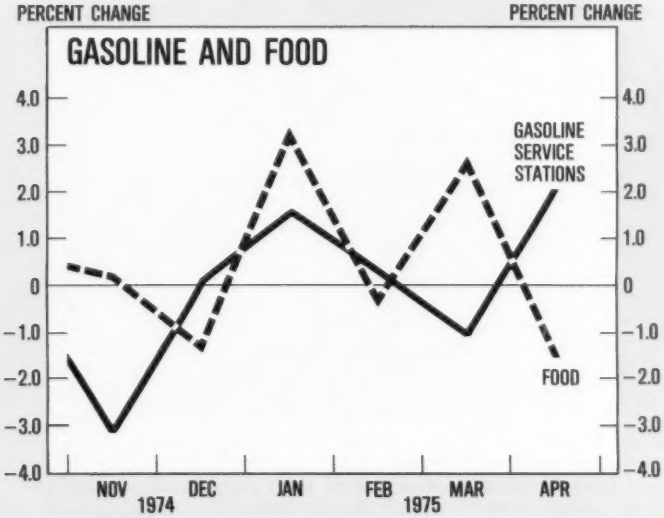
Automobile sales remain a major factor in the strength of sales of retail durables. The hesitancy of the progress of the total sales figures has resulted from the recent sluggish pace of automobile sales. After a successful February which was aided by the auto rebates and other promotional incentive programs, car sales have again lost their vigor. The early days of May have been disappointing compared to year-ago levels. On a seasonally adjusted annual rate basis, sales of domestic automobiles (6 million units) have been roughly comparable to April levels. At this time, the questions are how strong spring sales will be and to what level sales will decrease after the spring promotional activity has ceased.

The foundation for increased retail sales is strong consumer confidence. While substantial progress has been made on the inflation front in recent months, a longer period of easing is necessary to convince the consumer that prices are actually softening. Purchasing power is also a factor in the level of confidence and consumers must experience a continuing rise in the level of real income rather than a decline as at present.

As the employment situation stabilizes, the diminishing fear of layoffs will help bolster consumer confidence. No strong response is evident thus far in major surveys of buyers' intentions; however, consumer sentiment surveys currently indicate that the low point has been passed and confidence is now on the rise. The outlook for retail sales is therefore definitely optimistic, but some questions remain about the timing of a strong resurgence as well as the impact on all major types of consumer goods.







BILLION $ BILLION $

QUARTERLY IMPACT OF TAX REDUCTION ACT OF 1975* 1/

	I	II	III	IV	1975
TOTAL NIPA RECEIPTS	−1.8	−43.1	−14.7	−14.8	−18.6
Personal taxes		−40.5	−11.8	−11.7	−16.0
Withheld		− 7.8	−11.7	−11.7	− 7.8
Standard deduction and minimum standard deduction		− 2.5	− 3.8	− 3.8	− 2.5
General tax credit ($30)		− 5.3	− 7.9	− 7.9	− 5.3
Nonwithheld less refunds		−32.7	− .1		− 8.2
Rebate		−32.5			− 8.1
Investment credit (10%)		− .2	− .1		− .1
Child care and percentage depletion		*	*		*
TOTAL NIPA EXPENDITURES		7.4			1.9
Personal transfers		7.4			1.9
Payment to Social Security, RR and SSI recipients ($50)		6.8			1.7
Additional 13 weeks of unemployment benefits		.6			.2
FEDERAL DEFICIT, NIPA BASIS	−1.8	−50.5	−14.7	−14.8	−20.5

*Less than $50 million

*Annual Rates
All Data Seasonally Adjusted.
1/ Selected Catagories

Commerce Today
Vol. V, No. 17
May 26, 1975

Incentive Travel Aids Productivity, Helps Even Up Balance Of Payments

Last month, Ernesto Castillo, a salesman employed by Empresa Muro, S.A. of Mexico, spent a week-long holiday in Hawaii with his wife. Empresa Muro, S.A. picked up the tab.

Obviously a clear-cut case of expense account padding. Right?

Wrong. Empresa Muro, S.A. knew all about the Castillos' Waikiki vacation. As a matter of fact, Ernesto Castillo was one of 60 salesmen Empresa Muro sent on U.S. vacations last month. The firm uses incentive travel to motivate its salesmen to sell more of its textile piece goods.

Empresa Muro's approach is not unique. U.S. business has long recognized the motivational potential of travel awards as a sales or other work incentive. But until recently, incentive travel, especially incentive travel to U.S. destinations, hasn't been common abroad.

"Now, recession and increasing competition worldwide are beginning to change that," says Richard H. Henry, Director of the United States Travel Service's Office of Convention and Incentive Travel. "U.S. firms which have successfully used incentive travel in this country are thinking about establishing similar programs in their branches or subsidiaries overseas.

"Foreign firms, especially those with close ties to the U.S. business community, are asking questions about incentive travel—how it works and what we can do to help them plan a VISIT USA incentive program."

One index of interest in incentive travel is attendance at United States Travel Service-sponsored seminars on the subject abroad. In February, at a seminar in Paris, 92 members of the American Chamber of Commerce showed up. A visiting member of the Belgian American Chamber in Brussels promptly requested one of the seminars for his organization. Two months later, in Mexico City, more than 300 members of the Mexican Sales Executives Association were present at a similar USTS seminar.

Facing a $3 million travel deficit, USTS officials hope that foreign interest in VISIT USA incentive travel is just beginning, and that increases in this type of travel from abroad will help close the gap.

USTS estimates that each incentive traveler who visits the United States represents an expenditure of approximately $332 exclusive of air fare.

VISIT USA incentive travel can favorably affect the balance of payments, agrees the USTS' Henry. "It also has other advantages, not just for the U.S. government, but for U.S. manufacturers with foreign distributors and dealers—any American firm which sells abroad. The main reason a company initiates an incentive travel program is to increase the productivity of its sales force or the efficiency of its production workers. Incentive travel can boost intangible corporate assets as well. For example, the firm sponsoring an incentive travel program improves its image and promotes company—or brand—loyalty."

A U.S. incentive travel operator with offices abroad sees another advantage: an incentive travel award can quite often improve company/employee relations. Beyond that, it can reinforce an independent sales outlet's allegiance to the sponsoring firm, giving it a considerable advantage over competition.

Not all firms are using incentive travel to increase sales or production, however. Some companies use it to curtail absenteeism or to obtain new distributors. A recent United States Travel Service study on Japanese travel habits and patterns indicates that in Japan, incentive travel is used as an employee retention tool,

RIVER QUEEN—*The Delta Queen, one of America's last operating paddle-wheel steam boats, plies the Ohio River from Cincinnati to New Orleans every summer, on weekend to 20-day trips, offering foreign visitors a unique American experience.*

primarily because of manpower shortages and a compensation system in which salaries and wages are supplemented by substantial fringe benefits or job privileges designed to create a lasting bond between employer and employee.

Under a typical Japanese incentive plan, the study found, a firm offers new employees a trip abroad at the end of one year of continuous employment—on the implied understanding that the worker will stay with the company. Actual cost of the trip is frequently split between the employer and the employee. The employer withholds a portion of the worker's wages and bonus, and at the end of the year applies it toward an incentive trip.

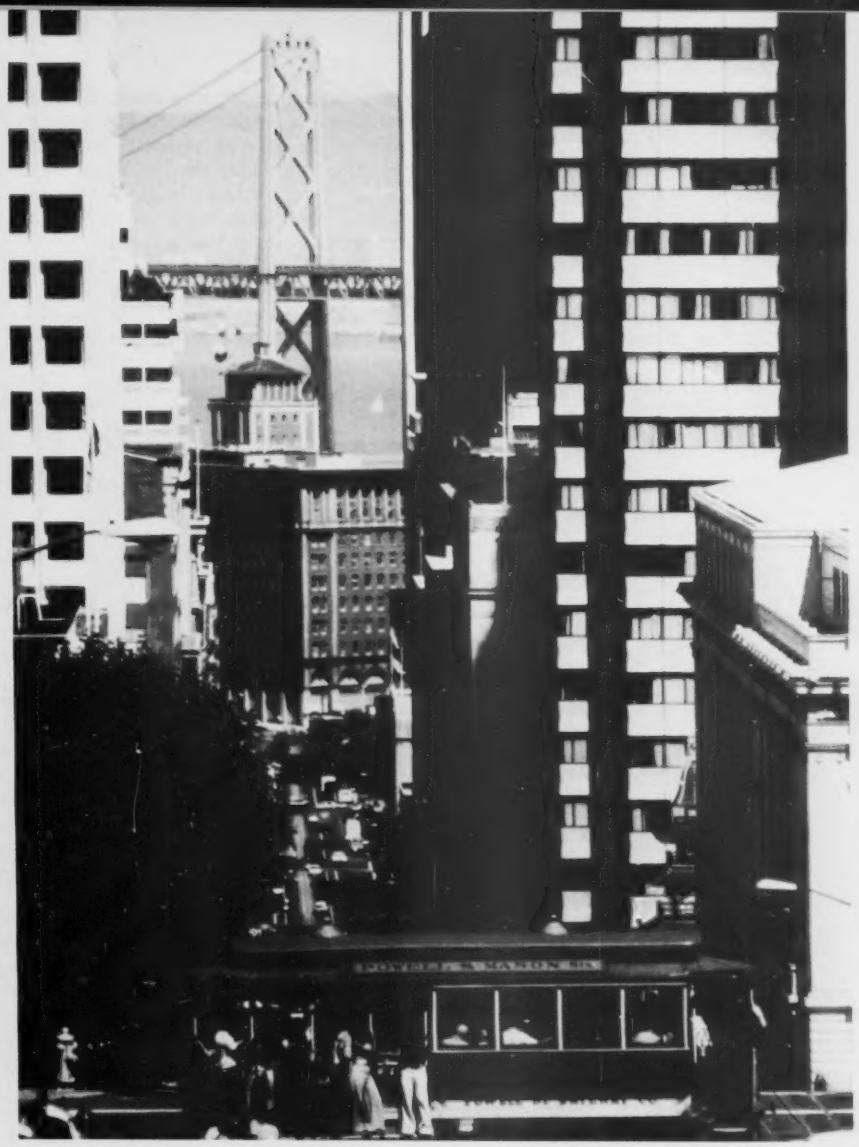
More traditional incentive programs are also common in Japan, the study showed, but are hampered somewhat by a legal limit of 100,000 yen ($333) on the cash value of any incentive offered. In an effort to avoid the limit, some Japanese businesses offer travel in the form of a cash bonus to their suppliers or dealers, with the understanding that the bonus will be applied to the cost of the trip or trips offered. Such trips are frequently classed officially as "study tours."

Incentive tours for Japanese dealers or suppliers are typically comprised of about 100 persons, the research revealed, with destinations ranging from Hong Kong to Hawaii to the U.S. mainland. Tours arranged by labor unions for their members are also available—especially among industries in which annual model changes require a complete plant shutdown. Four- or five-day tours to Guam are typically offered.

Just how much U.S. and multinational firms may be spending on VISIT USA incentive travel is not known, but there are indications that the sum is significant. Between January and April of this year, firms in Japan and Mexico alone sponsored U.S. incentive trips for 6,129 employees. Jack H. Richardson, USTS Incentive Travel Manager, estimates total outlay by both the corporations and participants at over $2.4 million.

During the next few months, Henry and Richardson plan to test corporate interest in incentive travel in Spain, Switzerland, Belgium and Canada. The USTS approach will involve acquainting corporate sales managers with the objectives and mechanics of incentive travel through a series of seminars and workshops featuring expert panels comprised of travel agents and operators specializing in the field. American Chamber of Commerce members will receive special attention. So will overseas branches and subsidiaries of U.S.-based companies.

"In many cases, their U.S. parent company is already an incentive travel user, and the VISIT USA sales incentive program could include a visit to corporate headquarters," Richardson explains.



GOLDEN WELCOME—*San Francisco is one of the United States' most popular vacation destinations with foreign visitors, due to its cosmopolitan atmosphere and natural beauty.*

A good example: Culligan International, a U.S.-based manufacturer of water softening equipment, sponsored an incentive travel program including just such a visit. The tour, a five-city, 11-day package, was tied in with the grand opening of the company's new international headquarters in Northbrook, Ill.

More than 830 employees, licensed distributors, dealers and sales representatives from 34 foreign countries participated in the event, which also included a world conference. A special affinity group, the World Water Society, was formed in advance of the opening to qualify foreign participants for low-cost charter transportation.

Later, a company spokesman revealed that after the incentive program was announced to the firm's distributive force, overseas sales rose between 20 and 30 percent. Foreign employees and distributors had a chance to meet corporate officers and become familiar with U.S. headquarters.

"The company became real to them," one official recalled. "Not just a vague abstraction."

From this program, estimated foreign exchange earnings for the U.S. exceeded $1 million.

There are many types of incentive travel programs. One of the most common forms is sometimes referred to as the "reverse sales" program.

"The price of the trip is reduced from the top," USTS' Richardson says. "Increases in sales reduce the price to the recipient. He can reduce the cost to himself 100 percent so that he travels free, or he can reduce it by a lesser percentage and pay the difference."

Tour operators in the incentive travel field say the reverse sales program offers an important advantage to companies with low potential sales per outlet: it

gives them the chance to offer a big incentive while paying for only part of a trip.

Many companies pay for the entire trip; others, for part of it—most typically for transportation and hotel accommodation costs. Participants then pay meal, sightseeing and other costs.

In still other cases, the company merely sponsors a trip, contributing one or two dinners or a cocktail party. Participants pay all other trip costs. Even so, the tour is a bargain to the foreign salesman or dealer who takes it. Air transportation is cheaper than it would be on an individually-ticketed basis, and the participant also saves the price of any arrangements paid by the company.

Although types of incentive travel programs differ, most have one thing in common: they are based on a corporate or division goal and are designed to motivate those employees or representatives who are in the best position to achieve the goal.

Says Richardson: "The company with an incentive program treats travel as a tool rather than as transportation. It doesn't buy travel per se; it uses travel. The object isn't to move an employee from, for example, Tokyo to Hawaii, but to motivate him to achieve a company goal."

Incentive Travel U.S.A.: How IT Can Help You

One of the functions of the new office of Convention and Incentive Travel of Commerce's United States Travel Service is to increase the U.S. share of the world's incentive travel market. The following interview, with USTS' Director of Convention and Incentive Travel, Richard H. Henry, and Incentive Travel Manager, Jack H. Richardson, reveals why VISIT USA incentive travel can benefit U.S. firms with foreign branches, affiliates, distributors and dealers, and how it works.

Can all U.S. firms with foreign branches, production facilities or sales representatives benefit from a VISIT USA incentive program?

VISIT USA incentive travel can be an extremely effective marketing tool. But a lot depends on the location of the branches or subsidiaries or distributive network. Local laws are important. In France ,for example, the Loi Martin permits incentive trips for employees, but not for dealers and customers.

Why do you call VISIT USA incentive travel an "effective" marketing tool?

Because experience has shown that it motivates. Travel, especially travel to a foreign country, is regarded as a top award—something worth working for. It's not like an appliance whose utility and life are finite. A trip abroad is an experience which can be remembered for years, and it gives the winner something to tell his friends about. Another reason is that trips are usually more enjoyable if you are traveling with someone, so most employees will work doubly hard to qualify their spouses as winners, too. Wives tend to be the best motivators of salesmen when travel awards are involved.

How can a salesman make his wife eligible for an incentive travel award?

When an incentive program is set up, some sort of quota system must be established—on the basis of dollar volume or units sold or points accumulated. If points are used, a pre-determined number are given for each unit sold. The quota applies to a given sales period, and to win, the participant must achieve the quota within the time specified. Usually, there is a scale of quotas and awards. For example, 100 points may entitle the salesman to a vacation in Honolulu whereas 150 points would entitle him to a vacation for two in Honolulu. In other words, the salesman can qualify his wife as a winner by accumulating additional points.

You mentioned quotas. How are quotas set?

An incentive planner needs the wisdom of Solomon. Quotas must be fair, realistic, challenging and commensurate with the award. The basic theory behind quotas is the so-called "80-20 rule"—80 percent of your results will be produced by 20 percent of your salesmen. Incentive travel programs are really designed to stimulate the average producer, the 80 percent of the force which brings in 20 percent of the results. Quotas are difficult to set—there is no ironclad set of rules. You have to consider territory size, types and numbers of accounts, sales experience, product price, type of product or products and, most important, the company goal.

How much does it cost the average firm to conduct a VISIT USA incentive travel program?

It doesn't have to cost anything. An incentive travel program can be designed to be self-funding. But it depends on the type of program used. Some corporate users pay all costs; some contribute only a part of the cost or simply sponsor the trip. Sometimes formulas are devised which determine the portion of the trip cost borne by the company. The cost of an incentive travel program is going to depend on a number of factors—the destinations involved, length of stay, type of air fare, the number of participants.

You said that cost depends on the type of program. Can you elaborate?

There are three basic types of incentive program. There are variations, of course, but most programs fall into one of three categories: (1) The cost of all trips is fully paid by the company out of "new" profit from increased sales. In this case, individual trip price is determined by both the number of salesmen who qualify and the portion of incremental profit devoted to the incentive program. The profit goal is set first, obviously. (2) The cost of each trip is fully or partially paid by the company and is set independently of profit forecasts. The trip price is established. Then, increases in sales reduce the trip price to the salesman. Some members of the sales force produce enough new sales to earn the entire trip; others don't. Instead of being disqualified, "near-winners" earn part of the trip and pay the difference out of their own pockets. (3) Most of the cost of each trip is paid by the participant, but the company acts as a sponsor so that participants qualify for group or charter rates.

All right, but what is the actual cost—on the average?

Luxury trips can range from $1,000 to $2,500 for a winner

and his wife. The "long weekend" is cheaper, obviously, but may lack motivation power.

Do most incentive travel participants travel in groups?

A number of incentive programs are for groups—such as salesmen or wholesalers. Groups range in size from 20 to 3,000. Incidentally, close to 90 percent of all incentive programs include salesmen—about one-third are exclusively for salesmen. The industry has figures which suggest that wholesalers are included in about 20 percent of incentive trips, wholesalers' salesmen in about 20 percent, dealers in about 35 percent, dealer salesmen in 17 percent and wives in almost 70 percent. It is probably indicative that about 80 percent of incentive travel is operated on a set schedule.

You said that incentive travel motivates because it is an experience—something intangible which can't be taken away. But don't trip awards tend to be structured and limited as to destination? Suppose the award features a place the salesman has already visited, or one which neither he nor his wife wishes to experience?

Incentive travel destinations must be very carefully selected. They must be unique, distinctive, exotic and, at the same time, sufficiently developed to offer first rate accommodations. Less than first class facilities wouldn't motivate most people. The key is to pick destinations which the salesman and his wife do want to visit. One of the central facts of incentive travel is that a lot of people won't spend their own money if there is a reasonable alternative; however, they will work hard for something they want.

What U.S. destinations would qualify as "unique, distinctive, exotic?" If you were planning VISIT USA incentive trip awards for foreign salesmen, where would you send them?

Obviously, we are interested in developing inbound travel business for all the states and territories. But effective VISIT USA incentive travel programs could certainly include the Hawaiian Islands, San Francisco, Las Vegas, Miami Beach, New Orleans and San Juan. Naturally, the nationality of the incentive program participants and the location of the U.S. headquarters or parent company should be considered during the selection process. Certain sections of the country are of more interest to some nationalities than to others. Mexicans and persons from other Spanish-speaking countries tend to prefer U.S. destinations with Spanish enclaves where they can be understood. At the same time, many Mexicans place a high premium on cultural attractions. U.S. incentive destinations for Mexicans, ideally, should have both.

The United States is celebrating its Bicentennial. Does that fact enhance this country as an incentive destination?

Yes and no. Certainly the Bicentennial has brought attractions which are of interest and which, otherwise, would not have existed. On the other hand, many foreign countries are hundreds, if not thousands, of years old. To their nationals, the fact that the United States is celebrating its 200th anniversary as a nation is not especially notable.

Does a company have to be in the business of manufacturing something to benefit from a VISIT USA incentive travel program?

Incentive travel probably works best for manufacturers with distributive networks, but it can also assist service-oriented companies, such as banks, to reduce absenteeism or increase savings deposits. One of the interesting features of incentive travel is that it can be tailored to the user.

How does a company go about establishing an incentive travel program for its sales force?

One way is to select an incentive specialist—there are a handful of companies which specialize in incentive marketing—or an experienced travel agent who handles commercial accounts. But there is no uniform procedure. In some companies, the program is handled in-house. The passenger traffic manager makes arrangements for incentive trip winners, while sales quotas are established by the director of sales and the program is publicized to employees by the public relations department. The procedure may differ even within the same company, especially one with a number of divisions or product lines. What's best for one company isn't always best for another. The United States Travel Service will work with both incentive specialists and passenger traffic managers to generate new inbound incentive travel business for the United States.

Should a company be a certain size before it attempts an incentive travel program—have a minimum number of employees, or a minimum sales volume, for example?

Any company with 50 employees or more, that has a marketing need, can effectively use an incentive program.

What, specifically, is USTS prepared to do for passenger traffic managers or those selling incentive travel?

We can provide some very important information—facts and figures about destinations, the type and size of accommodations, availability of entertainment, local sightseeing and public transportation, for example. We can arrange contacts with U.S. travel suppliers. Most operators and passenger traffic managers already have some data on U.S. cities, of course, and may have their own contacts.

Another area in which we can be of assistance, especially to those who are new to the incentive field, is in site-selection. There's a lot more involved in site-selection than meets the eye. Trip cost is a crucial factor and has to be considered during the site-selection process. If the trip cost is high, some companies set quotas to match—too high for the average salesman. If a quota seems unattainable to a salesman, he often won't make the effort to earn the trip. An overly-expensive destination, resulting in unrealistic quotas, can defeat the purpose of an incentive program.

Sometimes, it is preferable to select a conventional—but still colorful—destination in order to hold down costs and permit the establishment of realistic quotas. In incentive travel, the object is to motivate the maximum number of employees possible. Of course, you can always set up a program with a number of destinations—a luxury trip for top winners and less expensive trips to another, or other destinations for lesser producers.

It should be pointed out, by the way, that while we would like to provide assistance to all who might request it, USTS' mandate is to develop travel to the United States from abroad. Our support is limited to trips for foreign employees, dealers, distributors and other representatives of U.S. firms, U.S.-based multinational corporations, or foreign firms not in competition with U.S. companies.

Global Response Needed In Energy, Trade Matters, Morton Tells Asians

Urgent current imperatives to develop global responses to energy and trade problems were underscored in the discusssions of Secretary of Commerce Rogers C. B. Morton, in the Far East this month.

In an address at the opening of the World Petroleum Congress in Tokyo, Secretary Morton emphasized that the U.S. energy strategy aims to reduce U.S. dependence on the world oil market and thus to ease international pressures. By combining an ambitious and costly domestic energy program with a concerted effort at international cooperation, he said, the U.S. will help achieve greater economic stability and security, not only for itself, but for other nations as well.

In discussions with Japan's Minister for International Trade and Industry, Toshio Konoto, the Secretary stressed the Ford Administration's strong preference for a reliance on the price mechanism to produce incentives for developing alternative energy resources.

The Japanese official agreed with Morton's assessment that while it is desirable for the consumer nations to move ahead in the International Energy Agency to refine an agreement on the concept and the mechanisms needed to protect investment in alternative forms of energy, arriving at a specific floor price at this time would be difficult.

The two men also agreed that since much of the recent decline in energy consumption in both countries is due to the economic downturn, strong efforts will continue to be necessary to reduce waste in energy use patterns without hampering production.

With regard to the current GATT multilateral trade negotiations, Secretary Morton referred to the possibility of developing a "mini-package" of agreements, perhaps by the end of the year. He cited a product standards code and adoption of acceptable policies on government procurement as particularly promising areas for early agreement in the discussions on removal of nontariff barriers among nations. This is one of the principal goals of the worldwide trade talks.

The Secretary, addressing a general press conference at the Japan National Press Club, highlighted his emphasis on the need for an agreed agenda before convening an international producer/consumer conference in the petroleum field, as well as his hopes for continuing a useful producer/consumer dialog.

After the meetings in Japan, Secretary and Mrs. Morton traveled to the People's Republic of China, where they were the house guests in Peking of George Bush, Chief of the U.S. Liaison Office, from May 12-15.

While in China, the Secretary met informally at a luncheon with Li Chiang, Minister of Foreign Trade, and with Wang Yao-Ting, President of the China Council for the Promotion of International Trade. Informal discussions centered on Sino-American trade problems and opportunities, including possible Chinese purchases of U.S. oil well drilling equipment.

GETS PREVIEW OF TRADE EXHIBITION—*Secretary and Mrs. Morton flank the director of the U.S. Trade Center in Tokyo, Bruce W. Strong, as the Secretary's party was greeted at the entrance by the Center's deputy director, Max Miles. Thirty-eight U.S. firms were making final preparations for the Analytical Instrumentation for Science and Industry Exhibition May 12-16 that brought a 12-month sales projection of $5,353,000.*

Foreign Investment In United States To Be Studied For Economic Impact

A new high-level Committee on Foreign Investment in the United States was established this month by President Ford. In addition, an office in the Commerce Department will assess the impact of investment from abroad on the U.S. economy.

The Under Secretary of the Treasury Department will head the new committee. Other members will represent the Departments of State, Defense and Commerce, the Assistant to the President for Economic Affairs, and the Executive Director of the Council on International Economic Policy. Under Secretary John K. Tabor will be the Commerce Department representative on the committee.

The committee begins its work against a background of recent legislative proposals that would examine and regulate some capital investment by foreign interests in U.S. enterprises. The United States, throughout its history, has placed few limitations on investment from abroad, and the announcement of the new committee brings no change in this policy. The Administration has stressed its commitment to a continuation of the traditional U.S. open door policy toward foreign investment.

Executive Order details

The White House Executive Order establishing the committee, signed by President Ford on May 7, gives it "primary continuing responsibility within the Executive Branch for monitoring the impact of foreign investment in the United States, both direct and portfolio, and for coordinating the implementation of United States policy on such investment."

Its activities are directed into four channels:

- Arranging for the preparation of analyses of trends and significant developments in foreign investment in the United States;
- Providing guidance on arrangements with foreign governments for advance consultations on prospective major foreign governmental investments in the U.S.;
- Reviewing investments in the United States that in the committee's judgment might have major implications for U.S. national interests;
- Considering proposals for new legislation or regulations relating to foreign investment.

Specialists in international investment in the Commerce Department will be organized into an Office of Foreign Investment in The United States to perform the following activities, as listed in the Executive Order:

- Obtaining, consolidating and analyzing information on foreign investment in the U.S.;
- Improving procedures for the collection and dissemination of such information;
- Close observation of foreign investment activity in the U.S.
- Preparation of reports and analyses on trends and significant developments in foreign investment;
- Compilation of data and preparation of evaluations of significant investment transactions;
- Submission to the committee of its reports, analyses and recommendations, including recommendations on how foreign investment information can be kept current.

The Office will be located in Commerce's Domestic and International Business Administration (DIBA) and will be under the direction of the Deputy Assistant Secretary for International Economic Policy and Research, Lawrence A. Fox.

Two types of data needed

Two major types of foreign investment data required to meet the informational needs of the committee will be developed:

1) **Aggregate, ex post data**—These data will describe the magnitude, trends, and related macroeconomic characteristics of foreign investment in the United States, both direct and portfolio, on an after-the-fact basis. The prinicipal sources of data for such series will be the Commerce Department and the Treasury Department, and the aggregate data collected by 20 other U.S. agencies.

2) **Disaggregated, ex post data**—These data will be used to identify (after-the-fact) significant individual investment transactions which account for major increases, shifts, and trends reflected in the aggregate investment data series. The principal sources of such data will be the 20 federal agencies which presently collect information on foreign investors for their own program needs. Intensive efforts will be undertaken (a) to select agencies (such as the Securities and Exchange Commission and other regulatory agencies) which offer the best prospects as sources of immediately useful information and (b) to reconcile interagency reporting disparities (definitions, time periods, confidentiality, etc.) in order to make these reports more uniform and useable. Gaps in information collected by these agencies, particularly in the areas of real estate and land, will require the development of supplementary sources of data, such as state and local government agencies.

Will analyze trends

The second major function of the new office will be to analyze trends and developments in the foreign investment area as reflected in both macro and micro data, and to assess significant transactions as required by the committee. Analyses will be focused on selected key issues, including:

1) The concentration and distribution of foreign direct investment in specific industries, geographic areas and economic sectors;

2) The effects of foreign investment on U.S. national security, energy, natural resources, agriculture, environment, real estate, employment, balance of payments, balance of trade, the U.S. international economic position and significant product markets;

3) The modes by which foreign investments are made in the U.S. (i.e., mergers, acquisitions, joint ventures, etc.) including changes in the financing methods used by foreign investors which might adversely affect U.S. financial markets;

4) Federal, state and local laws, poli-

cies and practices affecting foreign investment in the United States; and

5) Recommendations to the committee with regard to legislative and administrative changes required to improve and keep current foreign investment data collection and reporting.

The third major function of the new Office will be the preparation of regular reports (monthly or more frequently) describing and analyzing significant foreign investment trends and transactions.

Several data-gathering efforts in the foreign investment field are now in progress in Washington.

A comprehensive survey of 1974 foreign direct investment in the United States was recently initiated by Commerce's Bureau of Economic Analysis.

The survey is to document the amount of foreign business investment in the United States at the end of 1974, the net increase in investment during the year, the return on investment to foreigners, the impact of such investment on the balance of payments, and the sales, employment, exports and imports, and other aspects of the operations of multinational companies affecting U.S. and foreign economies.

The Department of the Treasury is concurrently surveying foreign portfolio investment in the United States during 1974.

Both surveys are being conducted pursuant to the Foreign Investment Study Act of 1974. In addition, qualitative studies are being prepared by Commerce's Domestic and International Business Administration on investment techniques and procedures, economic effects, and the policies and laws bearing on such investments.

The last comprehensive study of foreign direct investment in the United States covered the year 1959. Since then, the value, composition, and relative importance of these investments have changed significantly.

The size and wealth of the U.S. market, an excellent distribution system, the availability of a highly skilled labor force, foreign currency revaluations, and other factors have made the United States a highly attractive place to invest for non-Americans.

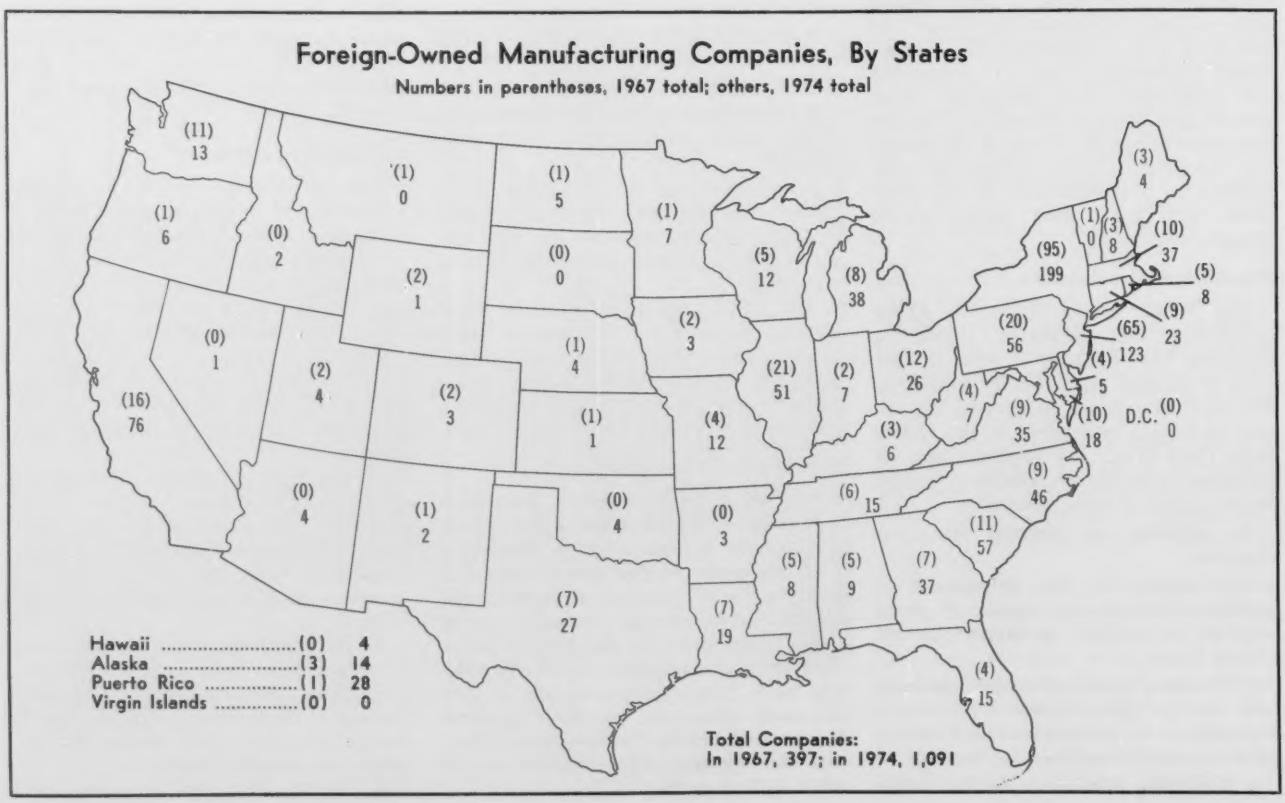
The book value of foreign "direct" investment in the United States—investment in which the foreign investor controls a corporation—increased by $3.5 billion, or 25 percent, in 1973, the latest year for which figures are available.

Historically and presently, British, Canadian, Dutch, Swiss and German investors have been, and are, the largest foreign investors in the United States. They, and investors from other European countries, hold 90 percent of the total foreign direct investment in the U.S. valued at $17.7 billion. Investors from Latin American countries hold 3 percent of the total; Japanese investors hold less than 2 percent; and investors from all other countries hold 5 percent.

The foreign direct investments are in subsidiaries, primarily manufacturing subsidiaries, most of them wholly-owned, and the majority established by the investor rather than acquired. They provide employment for upward of 600,000 Americans, and their lines generally parallel those of domestically-owned companies, although they are probably more pronounced in the food, chemical, tobacco and machinery sectors.

Foreign investors also hold $36.8 billion in portfolio investments in the form of U.S. corporate stock and bonds. The kinds and values of these holdings do not allow the investors participating interest in the corporations.

There had been anticipation that Arabian and other oil-producing countries would be channeling tremendous sums of money to the United States into direct and portfolio investments. However, such a massive flow has not taken place. Their investments in the United States were negligible in 1973, and according to the Treasury Department, although they placed about $11 billion of an estimated $60 billion in surplus funds in the United States in 1974, all but $750 million went into marketable government and agency securities, bank deposits and other short-term instruments.



U.S. Banking System Offers More Variety To Business Customers

A rapidly changing U.S. banking system is offering a much wider and fuller range of financial services to the U.S. business community.

Banking in the United States is unquestionably going through successive periods of change, in the view of Dr. Wray O. Candilis of Commerce's Bureau of Domestic Commerce. In a short number of years this has led to the basic transformation of the very essence of banking and to the establishment of a more efficient, integrated, and customer-oriented financial system.

Banking institutions, probably more than any other kind of business corporation, have remarkable ability of adapting themselves to the innumerable economic factors that influence the financial community.

Marketing and long-range planning, full service banks, bank holding companies (BHC's), bank credit cards, electronic funds transfer systems, were some of the principal trends characterizing the banking system during the past 15 years. They can all be summarized into one word, Candilis notes: Expansion.

This expansion was translated into more time deposits—$73 billion in 1960 compared to $430 billion in 1974; more demand deposits—$156 billion in 1960 compared to $317 billion in 1974; more assets—$258 billion compared to $916 billion, and more employment—672,500 compared to 1,234,000.

Branches lead growth

It was also translated into more banking offices. As of December 31, 1974, there were 14,961 commercial banks operating 30,347 branches in the United States, for a total of 45,308 offices. Over the post World War II period the number of banks has remained fairly constant while the number of branches and facilities has grown considerably. For instance, in 1946 there were roughly 14,000 banks and 4,000 branches; by 1960 the number of banks and branches were almost even, while today branches outnumber main offices by two to one.

Much of the increase in the number of branches is due to the liberalization of state branching laws. However, restrictive branching laws in some states and the desire by banks to provide customers with services not necessarily oriented to traditional banking activities, gave strong impetus to the bank holding company concept. While not a new phenomenon, bank holding companies made such tremendous strides in the sixties that they brought about fundamental changes in the traditional structure of banking.

This growth gave rise to the 1970 Amendments to the Bank Holding Company Act of 1956, which required all corporations holding 25 percent or more stock of a bank to register with the Board of Governors of the Federal Reserve System as bank holding companies. Consequently, by December 31, 1971, a total of 1,567 BHC's were registered with the Fed. Two years later the number had grown to 1,677. These companies own 3,097 banks with more than 18,000 offices—46 percent of the national total; they control 65 percent of total commercial bank assets.

Some of the advantages inherent in holding companies are their opportunity to tap major money and capital markets, to enjoy economies of scale, to recruit better talent, to plan on a longer-range basis, and to market more effectively. Their nonbank activities have ranged from operating a mortgage, finance, credit card, factory or leasing company to providing bookkeeping, data processing, and investment services, Candilis reports.

Some other areas under consideration by the Federal Reserve Board as permissible activities for bank holding companies include underwriting mortgage guarantee insurance, operating savings and loan associations, armored car services and travel agencies, and underwriting and dealing in U.S. Government and certain municipal securities.

Holding company operations are expected to grow vigorously over the next

SATELLITE—*Growth in numbers of branch offices has been a major feature of the post-World War II banking scene, and they now outnumber main offices by two to one. This is one of 18 branch offices of a major Washington, D.C., bank.*

few years, particularly in states which restrict or prohibit branching. However, given the recent trend towards the liberalization of branching laws, it appears that the real potential for growth lies in the area of additional nonbank activities that might be permitted by the Fed rather than in the number of bank holding companies.

Another form of expansion relates to the growing credit card market, which developed in response to the customer's need for expanded credit and for safe and fast funds transfer.

An estimated 60 million Americans held bank cards in 1974 and used them to obtain $13.8 billion in goods, services, and cash advances. Nearly 11,400 of the nation's 14,000 banks are involved in some aspect of the bank card business, but only about 1,500 actually issue cards and operate their own plans. The rest serve as agents of larger banks. Virtually all are affiliated with Master Charge or BankAmericard, the two nationwide corporations that administer the system for member banks, according to Candilis.

Bank cards are accepted at more than two million retail businesses. The average card purchase is about $20, and the average outstanding balance is $280. Bank cards are also used for a cash advance at a bank, within a pre-arranged credit limit, usually $400 to $600.

Another form of bank card is the debit card which is issued to customers so they may have access to their bank accounts 24 hours a day, seven days a week. These cards are designed to activate cash dispensers and automated tellers that are normally installed in the walls of bank buildings. Customers can deposit or withdraw funds from their checking or savings accounts, or they can transfer funds from one account to the other.

Toward a checkless society

The growing volume of checks has long been the subject of discussion and apprehension on the part of regulatory authorities and the banking industry. To avoid a total collapse of the system under an avalanche of an estimated 45 billion checks by 1980 and a 7 percent annual growth in checkwriting, banks extended their automation capabilities considerably in the sixties and are looking forward to the development of paperless entries that must inevitably culminate in a cashless and checkless monetary system.

A 1972 survey conducted jointly by the American Bankers Association and the Bank Administration Institute found that 56 percent of all banks were using computer facilities, compared to a mere 7 percent in 1963. In addition, banks have started using automatic tellers and cash dispensing machines, a form of expansion that carries enormous possibilities through future improvements.

An electronic funds transfer system, however, involves more than the use of computers. It basically means the debiting and crediting of funds by electronic methods rather than use of checks. The first banker group to develop a noncheck payments system was the California Special Committee on Paperless Entries (SCOPE) formed by the Los Angeles and San Francisco Clearing House Associations in 1968; it was located in the Los Angeles and San Francisco Federal Reserve offices and began to handle funds transfers in 1972. A similar payments system began operating in 1973 at the Atlanta Federal Reserve Bank, with two more in New England and the Minneapolis-Saint Paul area joining the trend in 1974. Many more areas are considering implementing SCOPE systems.

Another form of computerized payments system is the point-of-sale mechanism located in retail establishments and connected to the computers of a bank or credit card organization. When a sale takes place, the computer will debit the customer's and credit the merchant's account for the amount of the transaction. The POS potential for eventually replacing checks is obviously considerable.

National Commission

In the same vein, a National Commission on Electronic Fund Transfers was established by Congress last October to study the possible development of public or private electronic fund transfer systems legislation. The Commission, which is to transmit its final report to the President and the Congress not later than October 1976, will be composed of 26 members representing government, industry, and the public.

It would take into account, among other things:

—The need to preserve competition among the financial institutions and other business enterprises using such a system.

—The need to promote competition among financial institutions and to assure that government regulation and involvement in a system competitive with the private sector be kept to a minimum.

—The need to prevent unfair or discriminatory practices by any financial institution or business enterprise using or desiring to use such a system.

—The need to assure maximum user and consumer privacy and confidentiality, as well as to protect all the other legal rights of users and consumers.

—The impact of such a system on economic policy, and on the availability of credit.

—The implications of such a system expanding internationally and into other forms of electronic communications.

Competition from other financial institutions has been severe over the past few years. Both mutual savings banks and savings and loan associations, for example, scored significant gains in their efforts to compete with traditional banking services such as third party payments. A new service that permits customers to write negotiable orders of withdrawal (NOW accounts) against interest-bearing savings accounts was introduced by mutual savings banks in Massachusetts and New Hampshire in 1972, and a year later Public Law 93-100 was signed by the President prohibiting NOW accounts in all states except Massachusetts and New Hampshire.

Idea catches on

Following the New England example, a mutual savings bank in Pennsylvania offered a kind of NOW account called Western Order of Withdrawal (WOW) which allows a depositor to write an unlimited number of payment orders at no charge on regular savings accounts. The attorney general of Pennsylvania ruled favorably on WOW accounts last September.

Also in 1974 the Federal Home Loan Bank Board promulgated the concept of the "family financial center" for savings and loan associations, recommending structural changes that would make these associations more competitive with commercial banks. Specifically, it recommends changing savings and loan associations from basically a two-function industry—taking in deposits and making home loans—to a financial center that would offer checking accounts, consumer loans, tax and trust services, investment programs, and financial counseling and planning.

Not to be outdone, the National Credit Union Administration last year authorized three federal credit unions in California, Georgia, and Michigan to allow customers to write non-negotiable drafts against interest-bearing accounts, Candilis reports.

But the strongest competition for banks has come from large, national, multi-unit department stores that have in effect become service conglomerates. These retail companies have demonstrated their stability and earnings capacity to the financial community, and have access to large sums for financial needs. In addition, their reputation is so well established that they are able to attract outstanding talent to meet nonretailing personnel requirements.

Realty ventures involving town or city planning, shopping center development and living accommodations for entire communities are examples of projects these firms have undertaken. For example, in January 1973, a joint venture was announced involving Mafco Inc., a subsidiary of Marshall Field & Co., Homart Development Co., a subsidiary of Sears, Roebuck, Metropolitan Structure, Henry Crown & Co., and Urban Investment and Development Co., an Aetna Life and

EASY DOES IT—*Saleslady (at right) in Manhattan store prepares to insert customer's checking account access card into an on-line computer terminal to find out whether she has sufficient funds in her account to cover a purchase. If she does, that amount will be set aside until the check has cleared. At no time is the customer's balance revealed.*

Casualty subsidiary. The venture involves plans to finance and build a new city in a suburban site west of Chicago. The development, to be known as Fox Valley East, is planned to encompass 20,000 homes and apartments to accommodate 50,000 people.

Twenty-two year project

The entire development, an example of a "new city or town," will take 22 years to complete. The first phase is construction of a $35 million shopping center. The retail-oriented sponsors of the project will use contract sales technique to sell the realty development such items as rugs and carpeting, furniture and appliances. The shopping center will serve as an outlet for retailer-generated wares and furnishings, and will provide a continuing source of retail merchandising as the town develops.

Similarly, in May 1973, J. C. Penney Co. and M. A. Kravitz announced plans for the joint development of an enclosed shopping mall in Ft. Worth, Texas, and in January of that year the May Department Stores and Metropolitan Life Insurance agreed to form a joint venture to acquire and operate a two-block real estate tract in the city of Los Angeles.

Some companies tend to specialize in a particular type of realty endeavor such as shopping centers. In 1972, May Department Stores owned and operated 16 shopping centers located throughout the United States. R. H. Macy & Co., in July 1972, held voting power in 60 domestic subsidiaries engaged primarily in real estate operations.

While many department stores attempt to provide one-stop retail shopping for customers, the larger stores are attempting to provide a complete package to include one-stop financial shopping as well. Through the Sears organization, for example, a customer can purchase automobile, property, liability, life and unusual risk insurance. Mutual funds can be purchased through the Allstate Enterprise Stock Fund. Sears owns two savings and loan associations, Metropolitan Savings & Loan and Allstate Savings and Loan, as well as the Sears, Roebuck Acceptance Corporation and the National First Corporation whose function is to originate and service mortgage loans on residential property. The J. C. Penney Co. is also able to provide similar services through the J. C. Penney Investors Services, and the J. C. Penney Financial Corp.; other large chains provide similar services.

Over the next 10 to 20 years, the banking industry will follow a direction of both product expansion and market extension. More services will be added to the already long list of activities in the bank holding company repertory, while the branching movement will gather momentum and eventually culminate in interstate and nationwide banking.

A financial institutions act is bound to emanate from Congress in the near future, in Candilis' view, with the emphasis on developing mutual savings banks and savings and loan associations into "full service" institutions, offering customers the same services that full service commercial banks offer at the present time.

Specifically, as a follow-up to recommendations of a special presidential commission on financial structure and regulation, Congress will soon be discussing checking account and credit card authority for mutual savings banks and savings and loan associations, check clearing authority similar to that of the Federal Reserve System to be given to the Federal Home Loan Bank Board and its members, broader powers for mutual savings banks and savings and loan associations in the area of consumer loans, federal chartering for mutual savings banks, and liberalization of credit union powers.

Subjects for discussion

Subjects relating to commercial banks are also going to be included in the legislative discussions. For example, the removal of interest rate ceilings from time and savings deposits, the granting of interest on demand deposits, the expansion of lending and investment powers in the real estate and community welfare and development areas, the introduction of corporate savings accounts, and certain reorganization aspects of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Administrator of National Banks.

All of the individual trends mentioned above seem to point in one direction: more competition. The time when banks were isolated from competition is over. The Financial Institutions Act before Congress clearly points in that direction by suggesting a broadening of the powers of nonbank financial institutions and by giving them more power to compete with banks, says Candilis.

As thrift institutions enter new fields of endeavor unrelated to housing finance, as the growth of holding companies moves toward areas of nonbank activities, as industrial and retailing corporations increasingly enter fields such as insurance, consumer and business financing, mortgage banking and many, many other financial services, and as consumers become more demanding, competition probably will tend to grow in intensity. The result of this increased competition will be greater benefits for users of financial services, in terms of rates paid, interest earned, and services available.

Energy Management Digest

FIRST OF THE BREED...The Nuclear Regulatory Commission staff has formally accepted for review an application from Project Management Corp. of Chicago and the TVA for a permit to build the Clinch River Breeder Reactor Plant in Oak Ridge, Tenn. The Clinch River plant is proposed as the nation's first large-scale demonstration project of the liquid metal fast-breeder reactor. The unit would be a 380-electrical-megawatt generating unit using a sodium-cooled reactor fueled with a mixture of plutonium and uranium oxides. Documents and correspondence pertaining to the application are available for public inspection at the Oak Ridge Public Library and the NRC Public Document Room, 1717 H St., NW., Washington, D.C. Hearing dates will be determined later.

LIVING UP TO THE NAME...The Federal Energy Administration is awarding the Sunshine State of Florida $15,000 to study commercially feasible solar waterheating devices. Florida will contribute an additional $22,000 to the project. State and local model legislation, regulations, and ordinances will be recommended by the study and other legal direction will be provided. The study will also examine solar water heating products that are aesthetically pleasing and of sufficient quality to make them commercially competitive. Guidelines for performance and test procedures will be developed, along with recommendations for installation procedures, procurement specifications, and consumer and building industry information. Solar water heaters already are in widespread use in Japan, Israel and Australia. More than 25,000 were in use in the southeastern states, particularly Florida, prior to the introduction of cheap natural gas.

SOLAR CITIZENS...A non-profit "educational/scientific" group has been formed to foster development of solar energy and other alternative fuels. Citizens for Energy Conservation and Solar Development published Energy Action: News and Views, and supplies reprints of current clippings and short reports on conservation, solar, wind and geothermal energy. Write: CECSD, P.O. Box 49173, Los Angeles, Calif. 90049.

TO CLUSTER OR TO SPLIT...The Nuclear Regulatory Commission is seeking expert advice on the pros and cons of concentrating several nuclear facilities into energy centers, or of keeping them dispersed. A three-day workshop on the subject recently concluded in Portsmouth, N.H., and another is planned May 28-30 at Rand Corp. facilities at 1700 Main St., Santa Monica, Calif. (213-393-0411). In addition, a meeting to hear the views of non-expert members of the general public will begin June 16 in Washington, D.C. Written expressions of views should be sent to S. H. Smiley, Director of Special Studies, Nuclear Regulatory Commission, Washington, D.C. 20555. For further information on the Washington meeting, call 301-427-6357.

RELIABILITY COUNTS...Although some electric generating plants perform very well, the nation's nuclear and larger fossil-powered units are forced out of service more than 15 percent of the time, and are unavailable for service more than 25 percent of the time. These figures are drawn from a recent study organized by the FEA, which estimates that reducing forced shutdowns by only one percent by 1980 could provide as much electric generating capacity as five Hoover Dams (6,800 MW.). If only the nuclear and large coal-fired units increased their capacity by eight percent by 1980 the industry would save about $3 million per day in fuel costs.

RADIOACTIVE RELEASES...A new Nuclear Regulatory Commission regulation provides that releases of radioactivity in gaseous and liquid effluents from light water-cooled power reactors be kept "as low as practicable." This regulation will keep radiation exposure to persons living near nuclear plants at levels which are small fractions of natural background radiation levels. It involves both design objectives and a cost-benefit analysis to decide the point at which the costs of further reductions of radioactive emissions are no longer justified. Existing radiation protection standards are designed to establish permissible human exposure levels rather than the lowest practicable emission levels.

INDUSTRY EFFICIENCY UP...The ratio of U.S. industrial energy consumption to production decreased 3 percent in 1974, according to a tabulation compiled by Commerce's Office of Energy Programs; the corresponding decrease in 1973 was 8.9 percent. This "energy efficiency ratio" is arrived at by combining monthly industrial consumption statistics for the various fuels, adjusting for weather variations, and dividing the result by the Federal Reserve Board's monthly manufacturing output index.

33 Major Appliance Makers Volunteer To Reduce Their Products' Usage Of Energy

Thirty-three major appliance manufacturers have expressed their intention to work toward the voluntary energy efficiency goals for appliances set by President Ford's national energy conservation plan.

The goal, a 20 percent average reduction in the amount of energy used by new major appliances by 1980, was established by President Ford in a supplement to his State of the Union message on January 15.

"Achieving the goal of this program would save the equivalent of more than one half million barrels of oil a day by 1985," Commerce Secretary Rogers C. B. Morton said. "The support of these 33 companies is an important step forward in reaching this goal. By July 15, we hope to have at least 85 percent of appliance manufacturers, by sales, voluntarily participating in the program."

Morton added that the consumer will benefit from the program because of the substantially lower operating costs that will result from more efficient appliances.

Commerce's National Bureau of Standards, is supplying technical support for the new Voluntary Program for Appliance Efficiency.

The companies represent all categories of appliances for which energy efficiency goals are being set: room air conditioners, refrigerators, combination refrigerator-freezers, freezers, water heaters, clothes washers, clothes dryers, ranges and ovens, dishwashers and television receivers.

The companies are Absocold Corp.; Acme National Refrigerator Co. Addison Products Co.; Aero-neutronic Ford Corp.; Air Comfort Division of McGraw-Edison Co.; Amana Refrigeration; Blackstone Corp.; Boston Stove Co.; Carrier Corp.; Duo-Therm Division of Motor Wheel Corp.; Eagle Range and Manufacturing Co.; Fedders Corp.; Frigidaire Division of General Motors; Gaffers and Sattler, a subsidiary of Magic Chef; General Electric Co.; and GTE Sylvania.

Also included are Hardwick Stove Co.; the Hoover Co.; Keller-Columbus, Inc.; Kitchenaid Division of Hobard Corp.; Magic Chef, Inc.; Matsushita Electric Corp. of America; the Maytag Co.; Philips Industries, Inc.; RCA Consumer Electronics; Rheem Manufacturing Co.; Sage Laboratories; the Tappan Co.; Thermador; Warwick Electronics, Inc.; Waste-King Universal Division of Norris Industries; Whirlpool Corp.; and Zenith Radio.

The 20 percent reduction is an average goal for all appliance types. Unless it can be reached voluntarily, the President will ask for legislation to make the energy efficiency program mandatory.

Goals for specific appliance types may be higher or lower than the average depending on technical and economic feasibility. The base year from which improvements in energy efficiency are to be measured is 1972. Additionally, annual intermediate goals will be set.

In attaining the established goals each company will formulate its own plan which may include upgrading the entire line or a portion of the line, eliminating less efficient models or modifying production mix.

The meetings at the National Bureau of Standards solicited comments and suggestions from the manufacturers as to how the program can be carried out. The Department of Commerce plans to publish in the *Federal Register* later this month a proposed program to attain the energy efficiency goal for each appliance type to be reached by 1980, including any interim goals. There will be a 30-day comment period, with the final program published around June 30.

Overall responsibility for developing energy efficiency appliance goals has been assigned to the President's Energy Resources Council, of which Secretary Morton is currently chairman.

Agencies participating in the Voluntary Program for Appliance Efficiency include the Department of Commerce, Federal Energy Administration and the Office of the Special Assistant to the President for Consumer Affairs.

Will We Heed The Thunder?

"The Department of the Interior's U.S. Geological Survey today released new preliminary estimates of the nation's known oil and gas resources. While a more detailed final report will be issued at the end of this month, the summary figures fall one-third and one-half below the agency's estimates of resources in March 1974. These new findings add an exclamation mark to the word 'urgency' that we have used for months to describe our energy situation.

"We have known for some time that our supplies of oil and natural gas are finite and that they are running out. No one can argue with this conclusion, even if the scientific community may be divided on a timetable for depletion.

"What this new assessment does argue for is positive action to implement a comprehensive national energy program. The urgency that the Administration expressed when such a program was proposed to the Congress in January becomes more compelling today.

"These new estimates are sobering additional evidence of our need to act, and act now. I have said before that the cost of inaction hangs over the nation like a thundercloud and, yet, there are still those who refuse to heed the thunder. Let us take heed, today, before the storm breaks."

——*Statement by Rogers C. B. Morton, Secretary of Commerce and Chairman of the President's Energy Resources Council, on the latest estimates of known U.S. oil and gas resources by the Department of the Interior's Geological Survey, May 7, 1975.*

BACK TO BUSINESS—*Quick action by Commerce's Economic Development Administration and Maritime Administration will enable Seatrain Shipbuilding Corp. to continue construction of this tanker at the Brooklyn Navy Yard.*

U.S. Tanker Construction Gets $40 Million Shot In The Arm

Commerce's Economic Development Administration has agreed to guarantee a $40 million loan to the Seatrain Shipbuilding Corporation, along with arranging a restructuring of Seatrain's current debt, to restore several thousand jobs and permit the firm to complete two tankers now under construction.

"Because of serious financial difficulties," Acting Secretary of Commerce John K. Tabor said, "the Seatrain Company was forced to furlough close to 3,100 workers at its facility in the Brooklyn Navy Yard.

"These workers are people who were formerly unskilled and through various federal manpower programs became skilled craftsmen. I am delighted that they will be going back to work, using their new skills, soon."

Tabor added that prior to leaving the country for trips to Japan and the Peoples' Republic of China, Secretary of Commerce Rogers C. B. Morton "had made the basic decision that the Department must take action to rectify this serious unemployment problem, in which minorities were particularly hard hit. He directed us to explore all possible avenues in seeking a solution."

Tabor said the Economic Development Administration is prepared to guarantee 90 percent of a $40 million working capital loan to be made by the Chase Manhattan Bank to complete the two large tankers, one of which is 80 percent completed. The other has had 35 percent of the work on it finished. To ease the shipbuilding firm's burden, arrangements have been made for the Chase bank to retire an outstanding demand note of Seatrain's in the amount of approximately $65 million and substitute a term loan of the same amount having a maturity of at least five years and a moratorium on repayment of principal during the first two years of the loan.

Chase will continue in force certain outstanding letters of credit in an aggregate amount of $9,358,256, executed in connection with Seatrain's construction contracts for the two tankers.

In addition, Continental Illinois Bank and Trust Company will extend the term of two loans to Seatrain, one in the amount of $12 million due in 1977 to 1982, and another of $25 million due in 1978 to 1983. Interest will be calculated from time to time on the notes until maturity, at a rate satisfactory to the Department of Commerce. Both loans are guaranteed by EDA.

Officials of EDA and Commerce's Maritime Administration visited the Brooklyn Navy Yard May 14 to confer with officers of the Seatrain Corporation on conditions for the financial assistance.

Tabor said that the embargo by oil exporting nations and accelerating costs of construction have had an adverse financial effect on the shipbuilding industry. While the market for large tankers for foreign trade operations is currently depressed, the domestic Alaskan oil trade, which is restricted to U.S.-flag tankers, and the need for specialized product carriers should spur shipyard activities in the following years.

Commerce's assistance to tanker construction was also discussed by Asst. Secretary for Maritime Affairs Robert J. Blackwell in a recent talk to New York's Propeller Club. "As for cancellations of U.S. tanker orders, we expect a total of eight ships totaling 720,000 d.w.t. tons at Todd's San Pedro yard," he said. "Todd Shipyards Corporation, which is headquartered in New York, is one of the nation's oldest shipbuilding concerns and I am confident it will bounce back from its present difficulty."

EDA also provided Todd with a 90 percent federal guarantee of $22.5 million private sector loan which will improve its cash-flow position while the company pursues other marketing opportunities, and helping to save the jobs of 10,000 workers at Todd shipyards at seven locations around the country.

"Since most of the 28 tankers being built in this country for foreign trade are backed by long-term charters, I do not foresee any additional cancellations beyond these eight vessels," Blackwell stated. "Despite the curtailment of additional orders for foreign trade tankers in the years immediately ahead, we believe that U.S. shipbuilding activities will be sustained at a high level well into the next decade.

"We see a sizable market for tankers in our domestic trades, which are not exposed to the drastic rate-cutting that has taken place in the foreign trades. In fact, during the first quarter of this year construction contracts for 12 tankers to be employed in our domestic trades were placed with U.S. yards. These orders will more than offset the cancellations we anticipate," Blackwell concluded.

Booklet Explains Fishing Construction Loans

The National Oceanic and Atmospheric Administration's National Marine Fisheries Service recently published an information booklet on loan guarantees for commercial fishermen.

"Fishing Vessel Obligation Guarantee" is 22 pages of most-asked questions, with detailed answers, concerning the NMFS program to help fishermen get loans which finance or refinance up to 75 percent of the cost of constructing, reconstructing, or reconditioning commercial fishing vessels.

For free copies, write NOAA, National Marine Fisheries Service, Financial Assistance Division, Washington, D.C. 20235, or the Financial Assistance Officers at NMFS regional offices in Seattle, Wash.; Terminal Island, Calif.; Gloucester, Mass.; St. Petersburg, Fla.; or Juneau, Alaska.

Nearly 800 At Energy Conference Hear Industrial, Federal Viewpoints

Nearly 800 energy specialists from the scientific and industrial communities gathered recently in Washington, D.C., for a three-day conference on energy. The Second Energy Technology Conference was sponsored by *Pollution Engineering, Power Engineering* and *Research/Development* magazines of Technical Publishing Company and Government Institutes, Inc.

The conference, billed as a management briefing, presented legislative views on energy technology, with U.S. Rep. Mike McCormack and Senator Lloyd Bentsen; federal energy policy, with Federal Energy Administrator Frank Zarb and Assistant Administrator Roger Sant; plans of the Energy Research and Development Administration, with several officials of that newly-formed agency; and technical reports from seven foreign countries and numerous U.S. companies and government agencies.

The speakers all agreed on the need for a comprehensive national energy plan to reduce imports by conserving energy and developing domestic sources of fuel. The latter include both sources that can be exploited in the immediate term and those that would not be operational until the twenty-first century. Among the individual energy programs covered were: fossil fuels, nuclear energy, solar demonstration projects, natural gas, MHD, hydrogen technology, geothermal, and wind technology.

Senator Bentsen advocated coal gasification and solid waste conversion as two of the most promising alternative domestic energy sources.

". . . the technology already exists to convert [U.S. coal reserves] into a sulfur-free natural gas . . . into the energy equivalent of 12 trillion barrels of oil," Bentsen said. "The big problem is making this process economically and environmentally feasible."

Bentsen also quoted an Environmental Protection Agency report that the conversion of organic solid waste could be producing the equivalent of several hundred thousand barrels of oil per day by 1980, and would also save cities large sums currently spent on municipal waste disposal.

Roger LeGassie, Assistant Administrator of the Energy Research and Development Administration, stressed the need for diversity in energy development and cautioned against concentrating attention and money on only one method.

EPA's Sant quoted a Bureau of Mines report that 1974 industrial energy use was only one percent below 1973—less than the drop in Gross National Product.

Referring to EPA's efforts to cooperate with industry, he said, "Our initial meetings with industry suggest that potential energy savings per unit of output averaging about 15 percent are attainable by 1980—33 percent by 1985. It may be better than that—it theoretically could be. Progress toward that goal is being made in some—albeit few—industries, through aggressive energy conservation programs and through greater adoption of improved technology including processes and equipment that are now emerging from energy conservation research efforts. We have to find a way to all the others. We find that everytime we can make our pitch, we get a sale."

Sant sees the major barriers to energy conservation to be institutional, not technological.

"More than half of the companies we contact haven't even conducted an energy audit," according to Sant. "Without that, it's hard to talk specifics.

"Everyone still seems to be at the stage of blaming someone else. Business, consumers and the government are all pointing the finger at each other. No one is taking the individual responsibility which is needed to make a difference.

"Now it seems to me that we either make this program work or face some legislation. We either show that industry and government can work together in the national interest or we force Congress to require us to do it their way—as they should. I am confident that we can prove our point."

Derek Gregory, director of energy systems research at the Institute of Gas Technology in Chicago, advocated more research on conversion of nonfossil energy sources to hydrogen fuel "that is more compatible with today's energy distribution and utilization equipment" than electricity from solar or nuclear energy.

"Delivery of hydrogen as a fuel is the only way that the almost 30 percent of the nation's overall energy needs now being supplied by natural gas can be supplied from nuclear sources without the complete replacement of both the energy-distribution equipment and the consumer's plant," he said.

Alaska Leads Nation In Personal Income Gain

Personal income per capita in 1974 ranged from $7,023 in Alaska, down to $3,764 in Mississippi. This represents a per capita gain of 6.1 percent over 1973 in Mississippi, while Alaska led the nation with an 18.5 percent boost. The national average in 1974 was $5,434, a 7.8 percent increase.

This information has been compiled by Commerce's Bureau of Economic Analysis, and is published in the April issue of the Survey of Current Business, which contains detailed statistics on the subject.

Besides Alaska, states which showed the largest per capita personal income gains in 1974 were: Idaho, 12.5 percent; New Hampshire, 11.5 percent; and West Virginia, Rhode Island and Kentucky, 10.5 percent each.

States which showed declines in per capita personal income were South Dakota, 11.5 percent; Nebraska, 8 percent; North Dakota, 3.25 percent, and Iowa, .75 percent.

GETTING READY FOR '76—*A recent three-day training session in Washington, D.C., was attended by 34 United States Travel Service visitor service representatives and supervisors. The multilingual representatives, who are paid by Commerce's USTS, assist incoming foreign visitors at ten international airports in the United States and Puerto Rico. Here, Margaret Kincaid of Braniff International helps them prepare for the influx of Bicentennial tourists.*

Six Projects Seek More Efficient Electricity Usage

The Federal Energy Administration has stepped up its efforts to provide long term relief to electric utility customers by funding agreements totaling $1.2 million with six state and local governments.

The agencies will conduct demonstration projects designed to promote greater efficiency in the generation and use of electric power. Proposals by Arizona, Arkansas, California, Connecticut, New Jersey and Ohio were chosen for these electric power conservation projects from among 32 received from state governments and municipalities.

The proposals were solicited by FEA last January for field demonstrations of techniques to conserve energy in the generation, transmission, local distribution and end-use of electricity. The projects are expected to demonstrate immediately, in actual utility systems, the feasibility of non-traditional electric power rates, load control techniques, and utility-sponsored energy conservation programs.

The $1.2 million, subject to final contractual negotiations, represents FEA authorized funding for fiscal year 1975. The total proposed cost of the six multi-year studies is $7.8 million, of which $3.4 million is federal funding and the remainder state, municipal, and private funds. FEA funding in subsequent years will be contingent upon satisfactory performance and the availability of funds.

Field demonstration

Each of the projects will include field demonstrations of "peak load pricing", under which lower rates will be charged to consumers for electricity used during off-peak hours. In addition, the Arizona, New Jersey and Ohio projects will demonstrate technology for reducing peak demand by remotely controlling customer-approved residential loads such as water heating.

Electric power today represents 25 percent of all energy consumed in this country. By 1985 it will represent an estimated 38 percent, and by the year 2000 it is expected to account for more than 50 percent.

"Therefore," FEA Administrator Frank G. Zarb stated, "we must ensure the capability of utilities to supply adequate electricity to the nation at reasonable prices, while minimizing the inefficiencies which occur not only in the consumption of generator fuels, but also in the ultimate consumption of electricity itself.

"Although in some limited respects these two objectives may conflict, we believe that this is not generally the case and that energy conservation need not complicate but can actually enhance the financial situation of utilities. In fact, balanced growth of both electricity usage and peak demand would be in the mutual interest of such diverse groups as regulatory authorities, environmentalists, consumers, and utility executives."

Federal Energy Use Drops 21 Percent In First Quarter '75

The Federal Government reduced its energy consumption by 21 percent during the first quarter of fiscal 1975, according to the Federal Energy Administration.

This achievement is 6 percent over President Ford's 15 percent saving goal for the year. The savings amounted to the equivalent of 19.7 million barrels of oil and $181 million in energy costs.

During fiscal 1974, the federal energy conservation goal was saving 7 percent, and the achievement 24 percent.

Briefly, the Federal Energy Management Program's First Quarter Report, covering July-September 1974, shows:

—Federal energy consumption for the period amounted to 429.6 trillion BTUs.

—Total savings amounted to about 114.2 trillion BTUs.

—Consumption of most types of energy declined. Savings in jet fuel (28.8 percent) and diesel and petroleum distillates (37.6 percent) accounted for 69.7 trillion BTUs and 29.0 trillion BTUs respectively. Coal consumption dropped 30.8 percent, or the equivalent of 4.5 trillion BTUs.

—Five agencies reduced their energy use for the quarter by more than 20 percent: Civil Service Commission—32.9 percent; National Aeronautics and Space Administration—31.2 percent; General Services Administration—27.6 percent; Small Business Administration—23.1 percent; and Department of Defense—21.8 percent.

26 agencies monitored

All federal agencies participate in the Federal Energy Management Program. Twenty-six—11 Federal Departments and 15 independent agencies which account for almost all of the Federal Government vehicles, federal personnel, and federally-occupied building space—are monitored. Their current energy consumption is compared with their 1973 baseline consumption to gauge federal progress in saving energy.

Copies of the report are available from the Press Room, FEA, 11th and Pennsylvania Ave., N.W., Washington, D.C. 20461 (202-964-3538).

Updated Income, Population Data Made Available

Population and per capita income estimates for more than 38,000 local jurisdictions in the United States will be available for the first time between decennial censuses in a new series of annual reports published by Commerce's Census Bureau. Reports for all 50 states and a U.S. summary volume will be released on a flow basis in coming weeks.

The new estimates were developed to update figures used in federal revenue sharing allocations under the State and Local Fiscal Assistance Act of 1972. Areas included are all 3,141 counties and 19,000 incorporated places in the United States, plus approximately 17,000 active minor civil divisions.

Each state report shows estimates of the population of each area for July 1, 1973, together with April 1, 1970, census figures and the percentage of change between those dates. Annexations and new incorporations are reflected in the new estimates. Each area will also have per capita money income estimates for 1972, plus 1969 per capita income as reported in the 1970 census.

The reports are part of *Current Population Reports*, Series P-25, and will be published as Numbers 546 through 595 in that series.

Also, several new features have been added to the most recent annual Bureau of the Census catalog of publications. One is a consolidated list, as of December 1974, of all published reports from the 1970 Census of Population and Housing and the 1969 Census of Agriculture.

In addition, the new catalog contains a list of all government and Census depository libraries that receive one or more classes of Census Bureau publications.

The new annual catalog also contains a list of technical papers by Bureau specialists.

Subjects covered in the catalog include agriculture, construction, foreign trade, housing, general economic statistics, geography, governments, manufacturing and mineral industries, population, retail trade, wholesale trade, and selected services, transportation and statistical compilations.

The annual catalog may be obtained for $3.65 and the annual subscription to the monthly, quarterly and annual issues is $14.40. Order it, and the newly issued state-by-state Current Population Reports, from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 or from Commerce district offices in major U.S. cities.

Industry Highlights

Wastepaper, Softwood Firms See No Immediate Rally

While officials of the wastepaper industry are cautiously expecting a slight upturn later this year, the related softwood industry sees no signs of improvement in the offing, according to Howard Post of the Bureau of Domestic Commerce.

At the mid-April annual meeting of the Paper Stock Institute of America, a Mead Papers' executive, and the Institute's Executive Secretary reflected the consensus that wastepaper-based products seem to sell competitively only as long as there is a short or tight supply of virgin woodpulp.

Their general view was that the slump has hit bottom, and some slight demand and price improvement is anticipated for the fourth quarter of 1975. Substantial improvement is not expected before the second quarter of 1976, however.

In April 1974, extreme demand pressures for paper and board-making fibers, both virgin woodpulp and wastepaper, began to ease. Some users were urging export controls on wastepaper.

By June, 1974, export markets for wastepaper and virgin woodpulp were deteriorating and domestic demand had slowed. The slump in wastepaper continued through April 1975 and most wastepaper grades remain a glut on the market. With virgin pulp in excess supply, the high value, white, direct and substitute wastepapers are not moving to the mills and their prices are 50 percent or more below levels of a year ago.

Demand is more depressed for the large volume, lower grades of wastepaper such as waste newspapers, old corrugated containers, and mixed papers used in the manufacture of containers, packaging papers, and building papers and boards. Their prices, at $1 to $20 per ton, are down 60 percent or more and are at the point where prices are not announced but are quoted as "nominal." This indicates that stocks may be given away, dumped, or sold at any offered price.

Wastepaper consumption for January-March 1975, estimated at 2.1 million tons, was down 35 percent from 1974 figures. Receipts at the mills were down slightly more, permitting inventory reduction.

Softwood prospects

Much like wastepaper, softwood products were in short supply in 1972-73 and exports in this area too were considered by the homebuilding industry to have adversely affected domestic supply.

(Industry Highlights is prepared by the Office of Business Research and Analysis, Bureau of Domestic Commerce.)

Softwood exports declined considerably in 1974. Total log exports of 2.5 billion board feet were 24 percent from 1973.

Lumber exports of 1.5 billion board feet were down 12 percent.

First quarter 1975 softwood log and softwood lumber exports were 630 million board feet and 299 million board feet respectively, representing further drops of 10 percent and 35 percent from first quarter 1974 levels.

These reductions are attributable to curtailed construction activity in Europe and Japan, the primary consumers of U.S. softwood exports.

The weakness of softwood exports intensifies the problems of the lumber and wood products industry, currently affected by the reduction in domestic construction activity.

$181,550 In Matching Grants Aids U.S. Tourism Promotion

Eleven cities, states and nonprofit organizations will share $181,550 in matching grants from Commerce's United States Travel Service, to assist with tourism promotion programs.

All but one of the grants were awarded for VISIT USA advertising or promotion campaigns in Canada. The exception is a $15,000 matching grant to the Louisiana Development Commission, for an advertising campaign in France which will stress their historic and cultural ties.

Grant recipients and the amounts allocated to them are:

Miami Beach Tourist Development Authority, $12,500; Iowa Development Commission, $10,000; Warren County Department of Tourism, Warren County, N.Y., $11,250; North Carolina Department of Natural and Economic Resources, Division of Economic Development, $30,000; Metro-Miami Department of Publicity and Tourism, $12,500; Old West Trail Foundation Inc., $46,000; Vermont Agency of Development and Community Affairs, $24,300; Essex County Publicity Bureau, Essex County, N.Y., $15,000; Saratoga County, N.Y., $3,500; and the International Convention Center, Niagara Falls, N.Y., $1,500.

How To Improve The Hamburger? Make It Out Of Fish, Researchers Say

Fish as easy and convenient to use as hamburger may soon be commercially available to the homemaker, according to Commerce's National Oceanic and Atmospheric Administration.

Experiments conducted by NOAA's National Marine Fisheries Service Utilization Research Center at Gloucester, Mass., have produced minced fish with the same texture as hamburger. It has the same nutritional value as beef, is lower in fat content, and is cheaper to produce since it can be made from a variety of fish species that are not being used to the fullest extent.

Joe Mendelsohn, Project Director at the NMFS Center, said that minced fish in one-pound frozen blocks has commercial potential for both retail and institutional trades.

In the early 1970s a new technology was spurred by the introduction of a meat-bone separator machine to the fishing industry. The machine removes bones, skin, and scales from fish that have been headed and eviscerated, and produces fish flesh resembling hamburger. It produces more edible flesh from a fish than can be obtained by hand or machine filleting, thereby making it cheaper to produce.

The availability of this technology and a shortage of whole fillets for conventional frozen blocks, led fish processors to begin using minced fish to make 13½ to 18½ pound blocks from which they produce fish sticks and portions.

"Because of the success in processing large blocks into sticks and portions, the market potential for a small one-pound frozen fish block suitable for home use was investigated," said Mendelsohn. "A package would contain enough fish for one meal."

A variety of products including fish cakes, chowders, salads, fish in spaghetti or marinara sauce, fish and rice, fish stew, and fish and beef were prepared at the Utilization Research Center, tested by families, and found highly acceptable. Family members commented on the convenience of the blocks and the absence of a "fishy" smell.

"The one-pound frozen block of minced fish is adaptable for use in most fish recipes and as an extender for hamburger," said Mendelsohn. "It is convenient, requires no preparation for use directly into many recipes, and is very economical when compared to other fish products," Mendelsohn concluded.

Fixed Surveillance Cameras Give Businesses Added Security Element

If crimes such as shoplifting, holdups, burglary, or employee theft are such that photographic surveillance may be necessary, how can a businessman go about deciding what type and degree of surveillance?

An attempt to help decide this question is contained in a 24-page booklet entitled "Selection and Application Guide to Fixed Surveillance Cameras" prepared by the Law Enforcement Standards Laboratory (LESL) of Commerce's National Bureau of Standards.

LESL conducts research that will assist law enforcement and criminal justice agencies in the selection and procurement of quality equipment. LESL is testing and evaluating existing equipment, and conducting research leading to the development of several series of documents, such as national voluntary equipment standards, user guidelines, and state-of-the-art surveys.

Additional guidelines and other documents will be issued under the LESL program in the areas of protective equipment, communications equipment, security systems, weapons, emergency equipment, investigative aids, vehicles and clothing.

The LESL's work is intended to combat the rising incidence of crime, including crimes against business and white-collar crime. The U.S. Chamber of Commerce has published a book on *White Collar Crime* which estimates that the annual cost of "some white-collar crimes" amounts to nearly $42 billion a year. This estimate includes such things as deceptive practices inflicted on consumers, bribery, kickbacks and payoffs, insurance fraud, and receiving stolen property. The estimate does not include shoplifting, holdups, burglary, or theft by the organization's own employees.

The Chamber of Commerce estimates that deceptive practices cost business $3.5 billion a year, consumers $5.5 billion, and government $12 billion in lost revenue. It comments that fraud was a major contributing factor in the forced closing of about 100 banks during a 20-year period, and that an insurance company reported that at least 30 percent of all business failures each year are the result of employee dishonesty.

The first step

The LESL booklet suggests that, if a businessman has decided to go for photographic surveillance, a necessary first step is to make a complete survey of the site. If the businessman does this before calling in an equipment supplier, he may learn a few things about the problem which will save time and result in a better final installation.

A site survey is most easily evaluated, the booklet says, if done on a scale drawing of your floor plan. Put on it: blind spots, areas of high loss potential, with special emphasis on small items of high unit value; exits, windows, cash registers, electrical outlets, and any other data which may have significance to your particular situation.

Next, consider lighting in the surveillance area. Many situations do not require more lighting than exists normally. Get an illumination meter, or a photographic exposure meter of the "incident-light" type. Measure the light level at the significant points on the floor and enter this information onto the site plan.

Cover escape routes

Now study the traffic flow over the course of a typical day to discover where the greatest concentrations of routes lie. The most important route to consider is usually the most likely exit path for a robber.

Finally, always remember the basic problem for which the system is being considered . Shoplifting protection requires surveillance of high-value merchandise, particularly when it is small. Robbery protection will call for coverage of such places as teller's cages, cash registers, or exits.

Protection against employe theft usually means placing cameras in back areas where outsiders do not go.

Thus, it is obvious that one type of installation can't always solve all of a bank's problems, particularly those on a tight budget. They must concentrate on the most pressing problems first.

When the businessman has completed the site survey, he should be ready to discuss his needs with several salesmen, and to select and purchase specific equipment.

Major types of photo

The booklet discusses three major types of surveillance photography—still photography, motion-picture photography, and television. Also discussed is an imitation camera, which will have the culprit guessing whether it is real.

Imitation Camera: If deterrence is the only requirement, the booklet says, easily the most economical product available is an imitation camera. These products, widely available and crafted to look exactly like the genuine article, sell for less than $100. They can be used with scanners that move them back and forth through a selected range, thus calling as much attention to them as possible.

Still Photography: A good photograph of a crime being committed can be of great value, the booklet observes. Cer-

THE EYES HAVE IT—*Fixed surveillance cameras provide an added measure of protection for banks and retail businesses, and a new Justice Department guideline helps businessmen decide whether they are desirable for their particular firms. In bank shown above, the surveillance cameras are visible to the right of clock, near ceiling.*

tainly such a photograph constitutes dramatic evidence in court. For this reason still photography, which produces the clearest photographs, is still the standard method of surveillance for anti-crime applications.

A large selection of equipment types, makes and film sizes, from 8mm to 70-mm is available for still surveillance photography. Most can be set to operate on either a continuous or demand basis, and some have the capability of increasing the rate at which photographs are taken when signaled to do so. If a firm's security needs include protection against bad-check passers, cameras are available with an accessory which automatically photographs a person as his check is stamped at the teller's window.

The 8mm camera systems are generally the least expensive, and they use the least expensive size of film. Most are priced in the $300-$500 range. The price of a single 16mm system will generally buy three 8mm cameras. Of course, area coverage is an important consideration. If the 16mm camera covers the same area as the three 8mm. installations, it will then offer film economy. Sixteen millimeter camera systems generally run in the $600-$1,200 range, thirty-five millimeter systems are $1,000 and up.

The booklet explains that 8mm. and 16-mm cameras can produce good photographs. However, it points out that a 35mm camera will record a subject's face on film about two-and-one-half to three times as large as a 16mm camera if both cameras are set to cover the same basic area.

Major consideration

The major consideration, the booklet explains, is the size of the image on the film. It must be large enough to do the job it was bought for. Small images yield very poor detail. If the end object of a surveillance system is convincing a jury that a photograph and a defendant possess the same face, detail is very important. Small details like eyes, ear shape, skin texture, or small scars require a film image that is large enough to capture them.

If the subject is not a stranger—that is, if your problem is employee theft and only you need to be convinced of the criminal's identity—you can use photographs of much less clarity. However, studies have shown that for identification of total strangers, a photograph must show details approximately 3mm (one-eighth inch) in size.

If a photograph cannot be used, the businessman has not installed a usable camera system. If it is absolutely essential to cover a counter five meters wide, for example, it is simply not realistic to attempt it with a single 8mm camera.

The booklet suggests that the businessman ask the camera salesman to produce pictures taken on his premises of people he did not know. Such identification tests, it adds, are the only true method of evaluating equipment manufacturers' claims.

As to types of film, the booklet comments that negative processing is cheaper and requires less accurate exposure, making it better for installations where the light level varies or where copies of the photograph are required.

Motion-Picture Photography: Motion pictures capture more information than still photographs, the booklet explains, because more pictures are taken. However, any single frame of motion-picture film will normally make a poorer print than a still photograph because of subject motion. Surveillance motion-picture cameras with high shutter speeds can eliminate this problem. Higher shutter speeds, however, require higher light levels.

Operating costs are far greater for motion pictures than for still cameras of the same film size, since more pictures are taken. Initial equipment costs, too, can be higher.

Most experts in surveillance photography recommend still photography unless there is a peculiar requirement—a highly talented shoplifter, for example, who cannot be convicted by other means. A still camera which normally operates at a slow rate, but which can be speeded up on demand, may prove to be a better choice.

Television: Television provides a highly flexible method of surveillance. It can be adapted to almost any requirement, manned or unmanned. The output may be taped and studied later, and this tape may be erased and reused for a cost saving. Through use of remote control devices, recorders and still photography adapters, television surveillance may be used to guard against pilferage, armed robbery, burglary, unauthorized entry—in short, nearly anything.

This type of surveillance has one significant advantage over photography: it can permit apprehending a shoplifter, for example, in the act.

A single vidicon camera can be bought for under $800 but, with control and viewing equipment, a complete installation may run over $2,000. With large systems containing several cameras and monitors, $10,000 is not an uncommon figure.

The booklet includes detailed discussion of a number of phases of surveillance photography, including film, installation, and various factors to be considered in purchasing a camera or system.

The booklet can be obtained by sending 85 cents to the Superintendent of Documents, U.S. Government Printing Office, GPO Stock No. 027-000-00281-11 Washington, D.C. 20402.

Calendar For Businessmen

May 30—Girard, Ohio—Business Development Conference, Mahoning Country Club. Sponsors: U.S. Rep. Charles J. Carney, Commerce Dept., Cleveland Federal Executive Board, Chambers of Commerce in Youngstown, Warren & others. Luncheon speaker: Asst. Sec. of Commerce James L. Pate. For information, Rep. Carney's Youngstown office (216-746-3345).

June 2-4 — Washington — Transactional Management seminar, Georgetown Univ. For information, Ms. Betsy Girton, School for Summer and Continuing Education, Georgetown University, Washington, D.C. 20057 (202-625-3001).

June 2-4—Chicago — Cleaning, Coating and Finishing Metals seminar, Sheraton Hotel. For information, New York University School of Continuing Education, New York Management Center, 360 Lexington Ave., New York 10017 (212-953-7266).

June 2-6—Chicago — Fundamentals of Plastics seminar, Sheraton Hotel. For information, New York University School of Continuing Education, New York Management Center, 360 Lexington Ave., New York 10017. (212-953-7266).

June 3-5—New York—TEXPO '75, New York City Coliseum. Sponsor: American Apparel Manufacturers Assn. For information, AAMA, 1611 N. Kent St., Suite 800, Arlington, Va. 22209 (703-524-1864).

June 9-13—Cleveland—Polyvinyl Chloride Technology seminar, Hollenden House. For information, New York University School of Continuing Education, New York Management Center, 360 Lexington Ave., New York 10017 (212-953-7266).

June 11-12—Washington—Load Management conference, Shoreham Americana Hotel. Sponsors: Federal Energy Admin., four electric power assns. For information, Load Management Conference, Suite 510, 8401 Conn. Ave., Washington D.C. 20015 (301-652-6280).

June 18—Gaithersburg, Md.—Computer Networks: Trends and Applications 1975 symposium, National Bureau of Standards. Sponsors: NBS, IEEE Computer Society, Washington Chapter. For information, Computer Networks, P.O. Box 639, Silver Spring, Md. 20901 (301-439-7007).

Hospital Equipment Suppliers Scan Markets In Switzerland, Greece, Italy; See Plus Signs

Plans for hospital construction and expansion in Greece, prospects for improvement in the financial condition of health care facilities in Italy, and a willingness on the part of Swiss users to pay for quality in equipment all contributed to a favorable market reading by a recent U.S. trade mission to the three countries.

The seven mission members representing eight firms were offering a broad range of hospital and medical equipment and consulting services. Visiting Athens, Thessaloniki, Rome, Zurich, and Lausanne, they found a high receptivity for U.S. products and technology. In Greece alone, they held 234 individual interviews with government officials, doctors, hospital administrators, and agent/distributors.

"All three countries import a substantial amount of such equipment," Mission Director Herbert H. Lindstrom of the Commerce Department commented. "U.S. equipment, on the whole, was found to be competitive—both in technical features and in price, at current exchange rates—with that of any other source."

PRODUCTS PICTURED—*Bourns Inc., of Riverside, Calif., set up a portable display at interviewing center in each city visited by hospital equipment mission. Above, Kurt Brand (right) talks with customers in Zurich.*

Expansion in Greece

Mission member Richard F. Downs, assistant to the president of Gordon A. Friesen International, Washington, D.C., visited Greece to gain exposure for his company's consulting services in hospital and health facility planning, and to appraise long-term prospects for these services. Downs found that an extensive program of hospital building and enlargement is being developed in Greece by the government, the University of Thessaloniki, and several private groups. "There was a strong interest in my firm's capabilities and in our capacity to work with Greek architects in creating new facilities," he said. "Health care professionals generally agreed that the benefit of foreign experience would be welcomed. I anticipate contracts to the amount of several hundred thousand dollars in the years ahead. There was also a high level of interest in advanced U.S. hospital equipment across the board."

Raymond W. Harmon, president of First Foto, Inc., Lorton, Va., found his system of in-hospital infant photography to be of great interest in Greece. Arrangements have been concluded for establishment of this service in the Thessaloniki area, and it is anticipated that they will be completed in the Athens area in the near future.

Busy day in Rome

In Rome, said Lindstrom, the members noted a strong interest in U.S. equipment and a feeling that by the fall of this year the financial problems that have beset Italian hospitals would be ameliorated to the extent that prospects for actual sales would be greatly improved. Hospitals were currently taking 18 to 24 months to pay for items sold them on open account and because of this situation, the mission was scheduled for only one working day in Rome. Sales of $149,000 were forecast, however, as the result of this single day's activity.

In Switzerland, the members found that the profession there had a high level of technological sophistication and planning methodology. Some difficulties are encountered in this market, however, stemming from a lack of coordination among cantons, each of which has its own program. The latest and most advanced American equipment was found to be of interest. Samuel B. Kogen, representing Bio-Feedback Technology, Inc., Garden Grove, Calif., manufacturer of bio-feedback equipment, and Bio-tek Instruments, Shelbourne, Vt., manufacturers of hospital safety testing equipment, reported both lines were well accepted. Dr. Ron Biran, nuclear medicine specialist, Elscint, Inc., Palisades Park, N.J., reported good sales of his firm's scanners.

Kogen also observed that there appeared to be a market for hospital disposables such as gowns, aprons, and bed linen replacements.

Related products

Robert Siegel, international sales manager, Barnstead Co., Boston, Mass., manufacturer of water stills, summed up his mission experience as follows: "The Foreign Service Posts and the Department of Commerce worked together to provide me with a large number of highly screened appointments. As a result, my firm may not only enter into arrangements for hospital market agents in all three countries, but will probably also obtain agents in related areas such as scientific equipment and pharmaceutical manufacturing. . . . From the straight marketing aspect, I found our equipment is technically superior to local competitors'. I also learned that many potential customers are prepared to pay a higher price for quality."

Companies on the mission, in addition to those already mentioned, were Beckman Instruments, Inc., Fullerton, Calif., represented by A. Bagdjian, and Bourns, Inc., Riverside, Calif., by Kurt Brand, both successful participants.

Multilateral Trade Negotiations

This article is another in a series of reports on preparation for and notable developments in the multilateral trade negotiations, as prepared by the Department's Office of International Trade Policy.

GENEVA: The procedural deadlock between the U.S. and the European Community which had snarled the work of the **MTN Agriculture Group** since its establishment three months ago was broken at a May 8 meeting by agreement on a work program. Differences between the U.S. and the Community over the nature and scope of the Group's work program were resolved in bilateral discussions in advance of the meeting.

The Community had sought to preclude the discussion or consideration of any agricultural issue in any MTN group except the Agricultural Group, whereas the U.S. wished to include the consideration of certain agricultural issues in other MTN groups, such as the Tariff and Nontariff Measure Groups, in order to insure that general negotiating rules as they are developed in these groups would be applicable to both industry and agriculture. This is necessary, in the U.S. view, in order to carry out a major negotiating objective of the Trade Act of 1974 that the President seek the liberalization of agricultural trade in conjunction with efforts to liberalize industrial trade.

The work program adopted on May 8 makes clear that matters of a global nature, including tariffs and nontariff barriers affecting agriculture, could be taken up in a number of contexts within the MTN. Thus, any country may raise matters relating to agriculture in the other negotiating groups as the Agriculture Group will not have exclusive jurisdiction over agricultural issues.

The Agriculture Group also agreed to establish negotiating subgroups for grains, meat and dairy. It is envisaged by the Group that the subgroups will deal with all the elements relevant to trade in these commodities. With respect to grains, the Group took note of the work that is currently under way in London under the auspices of the International Wheat Council (IWC) with respect to the establishment of an international system of grain reserves. It was agreed that at an appropriate time the grains subgroup would review how best to integrate into its work program the results of the IWC.

Initial meetings of the commodity subgroups are scheduled on May 26 for grains, June 11 for meat, and June 23 for dairy. The Agriculture Group will review the work of these subgroups at its next meeting, scheduled for July 8.

The **MTN Non-Tariff Measures** subgroup on quantitative restrictions (QRs) and import licensing procedures met April 22-30 and made progress toward launching a program for detailed negotiations. It was agreed that initial negotiations on QRs should be based on detailed consultations between countries maintaining QRs and those affected by such measures. These consultations are scheduled to begin in late June with the subgroup reviewing the results of the various country consultations at its next meeting in September.

It is expected that during the June consultations countries maintaining quotas and restrictive licensing systems will be asked by other countries to justify the maintenance of these practices. Examples of quantitative restrictions employed by other countries, which the U.S. may choose to raise, are Canada's embargo on used aircraft and automobiles, Japan's quota on leather, and a number of import licensing schemes used primarily by developing countries such as Mexico and Brazil, as well as by South Africa.

At the same time, U.S. practices may also come under attack by other countries. For example, it is likely that the U.S. will be asked to justify the continuance of some agricultural quotas, restrictions under U.S. copyright legislation, and the embargo on foreign-built dredges and hovercraft.

Discussion of differences of approach concerning the allocation of work on these issues between the Agricultural and the QR subgroup dominated the April 22-30 meeting. A solution was finally reached which will allow discussion of agricultural QRs in either the subgroup or the Agriculture Group by any country wishing to do so.

Developing country spokesmen emphasized the need for the developed countries to extend differentiated and preferential treatment to their countries in the administration and allocation of quantitative restrictions. The subgroup agreed that this issue should be examined in accordance with the principles of the Tokyo Declaration and in light of the contributions that the developing countries make to the QR negotiations.

The subgroup also agreed to use two previously drafted codes of behavior on import licensing procedures as a basis for further negotiations on this issue. These draft codes aim 1) at eliminating the requirement to apply for an import license when such a license is used for statistical purposes, and 2) at minimizing the restrictive effects of licensing procedures used to implement quotas through the standardization and harmonization of forms, filing procedures, certification requirements, and other formalities relating to publication of information and procesing of applications. Any country wishing to suggest changes to these draft texts is to submit written proposals for discussion by the subgroup at its September meeting.

The **MTN Safeguard** Group will be meeting in June to discuss the adequacy of the present multilateral safeguard system. The group will examine in detail the safeguard actions taken under the present system, including motivation for use of GATT Article XIX, other GATT provisions, and measures outside of the GATT. This will include a study of the influence of country domestic relief procedures, and of GATT compensation or retaliation requirements, on the choice of avenues to import relief. The GATT Secretariat is preparing a summary paper to guide the discussion. The United States delegation in its preparations for the June meeting is independently studying the strength and weaknesses of the GATT system in order to determine what is needed in a revised system.

WASHINGTON: Executive Branch hearings on the multilateral trade negotiations and on a generalized system of preferences (GSP), will begin in early June in Washington and later in the month in other cities throughout the country. These hearings will be conducted by the interagency Trade Policy Staff Committee which is chaired by the Office of the President's Special Representative for Trade Negotiations. Provisions of the Trade Act of 1974 require the President to provide for such hearings.

The Executive Branch hearings will afford industry, agriculture, labor, service industry, consumers, retail representatives and others, the opportunity to make known their views. While anyone may testify about any matter relevant to proposed trade agreements and the GSP, the Committee is especially desirous of 1) identifying opportunities for expanding exports of U.S. goods and services and 2) avoiding duplication with testimony given before the U.S. International Trade Commission and with information received through the formal consultation programs with agriculture, industry and labor.

The **Industry Consultations Program** completed a second round of sector advisory committee meetings on May 21. Most of the 500 members of the 26 Industry Sector Advisory Committees (ISAC) gathered in Washington to review initial drafts of their reports as to what the U.S. negotiating objectives should be in the MTN within their particular product sectors.

Each of the ISACs spent one to three days discussing the positions of their industries in international trade and reviewing the reports for accuracy and complete-

ness. The revisions and additions suggested by ISAC members will be incorporated into the draft report by the staffs of the Department of Commerce and the President's Special Representative for Trade Negotiations.

The results of the ISAC meetings will be reviewed by the Industry Policy Advisory Committee for consistency with overall industry objectives for the negotiations. The ISAC reports will be used by government agencies in formulating initial U.S. negotiating positions for the MTN and will be available in Geneva for use by U.S. negotiators when detailed talks begin.

The **Agriculture Advisory Program** got under way May 5-6 with a meeting of the Agriculture Policy Advisory Committee (APAC) and the eight Agriculture Technical Advisory Committees (ATACs) attended by over 150 persons representing producers, processors and traders in agricultural commodities. They discussed negotiating techniques and strategies, as well as the format for their initial advice and recommendations to the U.S. negotiators.

Members of the nine committees were requested to make individual submissions of their views to the government by June 6. A compendium of the members' views and recommendations for each committee will be prepared by the staffs of the Department of Agriculture and the Office of the President's Special Representative for Trade Negotiations. The composite recommendations will be reviewed by the committee members at meetings to be held in late June.

Based on discussions of their composite submissions, each ATAC will prepare a report of its recommendations as to U.S. negotiating objectives at the commodity level, and the APAC will give its recommendations on overall negotiating objectives. Once approved by the committee members, the reports of the APAC and ATACs will be submitted to Secretary Butz and Ambassador Dent for use in developing the initial U.S. positions for the multilateral trade negotiations.

The **U.S. International Trade Commission** concluded its schedule of public hearings on the impact of possible U.S. tariff modifications in Augusta, Maine, on May 10. Hearings were held in Washington and in 20 other cities. A major source of information for the Commission in preparing its report to the President on the Public List—those articles to be considered for modification or continuance of U.S. duties—is testimony received during these hearings. The Commission's report on the Public List must be submitted to the President by July 14, and its report on the list of articles which will be considered for duty-free treatment under GSP by Sept. 24.

EXPORT COUNCIL LEADERS—*The chairman of the President's Export Council, Fletcher L. Byrom (left), of the Koppers Co., confers with member Reginald H. Jones, of General Electric, who reported at Washington meeting on government export promotion programs.*

Presidential Export Council Urges Tax, Promotional Aid

Some U.S. tax policies, current or proposed, can impair the ability of U.S. companies to compete effectively in world markets, and consequently can hurt the domestic economy.

This observation by a taxation study group of the President's Export Council underlies a series of recommendations that the Council is making to Administration officials. The group was led by John L. Hanigan, Brunswick Corp. board chairman.

The Council, an organization of American business leaders created in 1973 to advise the President on ways to increase U.S. sales overseas, considered the taxation recommendations among a number of trade promotion suggestions as it held its third meeting in Washington earlier this month.

One recommendation was to retain and strengthen the DISC program of tax deferral under which Domestic International Sales Corporations (DISCs) can defer payment of taxes on up to 50 percent of income earned from foreign sales. Another recommendation was to keep an older program of tax benefits for so-called Western Hemisphere Trade Corporations. Still others refer to taxation on undistributed foreign earnings, avoidance of double taxation, clarification of intercompany pricing rules, and allocation of some U.S. expenses to foreign source income.

The Council also discussed its proposed response to the interagency report on U.S. Government export promotion policies and programs that was prepared by the Office of Management and Budget, Export-Import Bank activities, and antitrust meetings. Additionally, the Council reported on its work with task forces on transportation economics, military sales, ocean freight rate disparities and export documentation.

Venture Formation Is Symposium Topic

An International Symposium on Entrepreneurship and Enterprise Development (ISEED) will be held in Cincinnati June 15-19, to bring together individuals and organizations interested in developing entrepreneurs and new business ventures.

The meeting has the support of a number of major national and international development organizations. The office of the Governor of Ohio and the Ohio Department of Economic and Community Development are assisting.

Over the five days of discussions, aimed at identifying and evaluating ways to develop small businesses, "talking papers" will be offered by 80 development authorities from around the world.

ISEED itself will be followed by a two-day demonstration seminar and then by a week of special programs.

For full details contact William J. McCrea, General Chairman, Project ISEED, 8 E. Long St., Columbus, O. 43215; telephone 614-466-5396.

Trade Fairs, Centers

U.S. Business Machines, Maritime Equipment Score In Taipei Displays

Prospects for sales in Taiwan of American business machines and maritime equipment are excellent, as demonstrated by two exhibitions at the U.S. Trade Center in Taipei.

U.S. suppliers found a strong market in the Republic of China for advanced time-saving, space-saving, and cost-reducing office equipment. The Automated Business Equipment exhibition in November confirmed that Taiwan is a promising market for accounting machines and systems, sophisticated electronic calculators, photocopying and duplicating equipment, cash registers and systems, typewriters, time recorders, binding and collating machines, filing systems, and other office equipment which increases productivity and lowers operating costs.

Production of modern business machines in Taiwan is negligible. One U.S. firm is assembling electronic calculators and many local firms produce low-priced calculators. Virtually all other office machines and systems are imported.

The 23 exhibitors developed sizable sales prospect lists and new business contacts. Those exhibiting word-processing, information retrieval, and computing and calculating equipment achieved the highest sales, followed by those with copying and printing equipment, and visual equipment (including sound, slide, overhead and film strip projectors).

Government agencies, military authorities, and private enterprises are rapidly expanding the use of mini-computers. Hand calculators attracted strong interest. Most popular were special function display calculators such as the pre-programmed financial analysis calculator, the metric converter and the scientific and engineering calculator with trigonometric and slide rule functions. Computerized information retrieval equipment drew great interest and has a good future market.

Exhibitors of data communications equipment wished they had displayed more varieties for high-speed data transmission over short distances and on multi-station networks utilizing standard telephone lines. Typewriter suppliers noted a preference for medium-size, portable electric typewriters with a 15-inch carriage.

Sizable enterprises and government agencies provide a market for larger photo-copiers. Smaller copiers are less competitive and small units are flooding the Taiwan market. As labor costs increase and the volume of business expands, the market is growing for high-speed microfilmers, microfilm processors, and retrieval/display copier units. U.S. manufactured offset equipment will sell well, since businesses using printed materials are finding it cheaper to prepare their own literature. With increased numbers of manufacturing plants the demand for master clocks and time recorders should also increase.

The Republic of China is engaged in major port construction and expansion and has placed a high priority on shipbuilding, ship repairing, and harbor and dockside development. The growing demand for shipboard equipment, together with its low per-unit cost and high-volume sales potential, suggest that American-manufactured shipboard equipment is being promoted in a sizable current market. Technology and the larger, more expensive port cargo handling and harbor development equipment should be demonstrated to Taiwan's end-users as a means of cultivating a viable future market.

At the Maritime USA exhibition, sales of shipboard equipment ranked highest, followed by harbor development and port cargo handling equipment. Strong interest was shown in shipboard instrumentation, navigation equipment, engines, and refrigeration units. In the harbor development category, dredging equipment was shown; also smaller items such as oil herders and spill collection systems. Demand for the latter will grow as pollution control standards are raised.

In the cargo handling area, container handling equipment and straddle cranes were exhibited. As Taiwan's end-users become more familiar with the technology of this equipment, the demand will grow. In the smaller harbors trucks are best for cargo handling purposes. According to the exhibitors, the following types of equipment would have sold well had they been displayed: shipboard and harbor radar equipment, gyrocompasses, additional varieties of satellite navigation equipment, low-power VHF and single side band radio telephones, and containers.

DAILY CROWD—*An average of 1,000 interested and potential buyers a day came to see automated business equipment exhibited at U.S. Trade Center, Taipei. In photo on right, at Maritime USA exhibition held earlier at the Taipei Center, L. C. A. Schwartz, Duramax International, Inc., Middlefield, Ohio, answers inquiries from business visitors on the air-seal stuffing box.*

U.S. Exhibition Results In Brief

The following summary reports have been received on U.S. overseas commercial exhibitions. Further details and marketing data derived from these exhibitions will be published as available.

Oil and Gas '75 (oilfield and gasfield production equipment). U.S. Commercial Office, Moscow, March 18-20. Joint Export Establishment Program (JEEP) presentation. Exhibitors, 7 new-to-market companies. Floor sales, $35,300; 12-month projection, $5.3 million.

Electronics Production and Test Equipment. U.S. Trade Center for Scandinavia, Stockholm, April 7-10. Exhibitors, 26. Floor sales, $70,400; 12-month projection, $3 million, of which about $600,000 is estimated by new-to-market firms.

International Auto Salon '75 (automotive diagnostic and repair equipment). Barcelona, April 12-22. Exhibitors, 10, representing 11 U.S. companies. Immediate sales, $403,200; 12-month projection, $3 million, $2.6 million by firms new-to-market or export. Representatives appointed, 3; under negotiation, 9.

Leisure Living. U.S. Trade Center, Tokyo, April 16-19. Exhibitors, 36. Floor sales, $135,160; 12-month projection, $7.1 million, with 22 companies new to export or market accounting for $2.5 million. Agent/distributors appointed, 9; under negotiation, 28.

Commercial and Industrial Security Equipment. U.S. Trade Center, Tehran, April 20-24. JEEP. Exhibitors, 14 new-to-market firms, 13 reporting immediate sales of $35,400 and projected sales for next 12 months, $2 million. Representatives appointed, 7; under negotiation, 5.

U.S. Exhibition at Zagreb Spring Fair (woodworking and timber equipment). April 21-27. Exhibitors, 21. Floor sales, $103,063; 12-month projection, $9.3 million, of which $2.1 million is by firms new to export or market. Representatives appointed, 2; under negotiation, 109.

MACH TECH—**Equipment for Metalworking Industries. U.S. Trade Center, Taipei, April 22-25.** Exhibitors, 22. Immediate sales, $271,500; 12-month projection, $5.2 million, $1.4 million by companies new-to-market or export. Representatives appointed, 4; under negotiation, 4.

Automotive Tool Shows In Lebanon, Iran Draw Buyers

Because of the lack of trained mechanics in both Iran and Lebanon, garage owners there are looking for equipment that will enable them to complete repairs as quickly as possible. In addition, fleet owners are experiencing a scarcity of trucks, which makes diagnostic equipment essential for keeping the more sophisticated vehicles on the road.

These are observations of U.S. manufacturers of automotive diagnostic and repair equipment, who participated recently in Commerce Department-sponsored shows in Tehran and Beirut. Keen interest and large crowds in both locations greeted the U.S. exhibitors.

The participating companies, many of them new to these markets, displayed the latest and most sophisticated in tools, repair and diagnostic equipment, chemicals/paints/solvents, and natural gas conversion kits. Specific interest by a large number of visitors was shown for some unique wrenches and locks exhibited by an Ohio company. All firms noted the interest displayed in labor-saving devices and items featuring the latest in U.S. technology.

Immediate and 12-month projected sales by the exhibitors are estimated at about $10 million for Iran and $5 million for Lebanon (see *Commerce Today*, March 31, p. 35).

Australian Industry Automation Spurs Instrument Demand, U.S. Show Verifies

Australian industry is inventive and technologically advanced, and demand for instruments, particularly the more sophisticated ones, has been increasing as a result of an industry-wide trend toward automation and process control. This trend is spurred by rising labor costs, strong growth in the processing industries, and a desire to make Australian products more competitive overseas. A recent U.S. Trade Center exhibition of industrial instruments and process controls in Sydney confirmed that demand for U.S. products is strong.

The total design concept and the modular approach to process control was much in evidence at the exhibition. Of particular interest to attendees was the new, high-technology, solid-state programmable type equipment on display. Electric and electronic process control instruments and systems are showing the most rapid market growth and, by 1978, these are expected to account for well over half of the total process control instruments market in Australia. The U.S. share of the market is about 50 percent for electric/electronic instruments and about 48 percent for non-electric/non-electronic instruments.

Plans for further development of Australia's vast mineral resources will provide attractive opportunities for U.S. industrial instruments, monitoring and control equipment, and labor-saving equipment. However, limited domestic manufacturing resulting in a high volume of imports and a large number of suppliers add up to a very competitive environment. Formidable competition may be expected from the United Kingdom, West Germany, Sweden, and Japan. U.S. exporters will need to continue with strong promotional efforts, rapid delivery, and good back-up service if they are to improve their market share position.

INSIDE STORY—*Harry Koller (right) of Leeds & Northrup Australia explains equipment to visitor at industrial instrumentation and process controls display in Sydney.*

Mining Equipment To Be Exhibited In Duesseldorf

An international exhibition of the latest machinery and equipment used in surface and underground mining—with emphasis on mechanization and automation—will be held in conjunction with the World Mining Congress in Duesseldorf May 22-29, 1976. Mining experts from more than 30 countries are expected to participate in the Congress.

Additional information is available from Hanz Teetz, German American Chamber of Commerce, 666 Fifth Ave., New York, N.Y. 10019; phone 212-582-7788.

Dental Show Set For USSR

The USSR has invited Jambor Enterprises, a New York firm, to stage an exhibition and seminar in the area of complete dental equipment and materials for the Ministry of Health in Moscow Nov. 17-22. To date, some 30 firms will be represented. Companies interested in participating should call Dr. Julius Jambor, 212-964-7630.

TWO SHOWS IN MILAN—*Business visitors examined closely equipment on display recently at U.S. Trade Center. McCulloch, makers of portable generators, participated in energy systems exhibition; later, Hartwell, at industrial assembly show, displayed its fasteners.*

U.S. Energy Systems Equipment Attracts Top Italian Interest

Italy's search for non-traditional energy sources was evidenced at the Milan U.S. Trade Center recently, as virtually all of the top leadership of ENEL (Italian state energy agency) attended an exhibition by U.S. manufacturers of energy systems equipment.

A variety of "power sources" equipment, ranging from a mock-up of a nuclear power plant through gas turbine engines to solar battery charges and solar power supplies, was exhibited and demonstrated. A special feature was a seminar on alternative energy sources. Rep. Mike McCormack, Chairman of the Energy Research, Development, and Demonstration Subcommittee of the House Committee on Science and Technology, was the principal speaker.

Favorable interest was shown in all lines of equipment exhibited. Some with particularly favorable prospects were thermal-electric power plant equipment, electrical power demand central systems, electrical generators and oxygen/hydrogen generators, nuclear reactors and systems demand control units. Special interest was reported in possible uses of solar energy.

Sales of power sources equipment during 1975 in Italy are estimated at more than $500 million. The U.S. share is around 20 percent and growing, proving that U.S. firms exhibiting the latest advances in U.S. technology, especially in terms of performance reliability and automation, will have a receptive market.

As reported in the March 31 issue of *Commerce Today*, page 35, the participants reported $255,000 in floor sales, and project 12-month sales at more than $40 million, of which $9 million is estimated by new-to-market firms—a record at the Center.

Industrial Assembly Equipment Needed In Italy, Exhibitors Find

Continually rising labor costs, the need for Italian industry to rationalize its production processes to remain competitive, and the dollar's recent unofficial "devaluation" (especially in comparison with the currencies of Italy's EEC partners) all combined to make the Milan U.S. Trade Center's fourth Industrial Assembly Exhibition in March its most successful ever.

Although manufacturing processes still change slowly in Italy, high labor costs, tight credit and the resulting squeeze on profit margins have made Italian industry, both large and small, aware of the utility of advanced fasteners and production equipment and the need to use labor- and cost-saving products in almost all sectors. The Italian market for this type of products is estimated at around $250 million. While a highly industrialized country like Italy does supply many of the products involved in "industrial assembly," there remains a potentially substantial market in Italy for industrial assembly equipment.

Despite the current economic downturn, the results of this exhibition clearly indicate that the Italian end-user is willing and able to pay the sometimes higher price for U.S. products because of the U.S. reputation for high-quality equipment. As reported in the April 14 *Commerce Today*, page 24, the 28 exhibitors reported floor sales of $150,500 and a 12-month sales projection of $3.8 million—about half by new-to-market firms. U.S. companies seeking representatives were pressed with offers from Italian agents eager to represent their lines; five were appointed and 19 other agency/distributor arrangements are expected to be consummated in the next 12 months.

Georgia Businessmen Promote More Trade With Mexican Buyers

A recent 16-day trade mission to Mexico may result in as much as $10 to $15 million in sales for Georgia businessmen who participated in the trip and new Mexican trade facilities in Georgia, according to Louis W. Truman, Commissioner of the state's Department of Community Development.

The invitation to the Mexican government to establish such facilities in Georgia was given to Foreign Minister Emilio O. Rabasa by Governor George Busbee, who led the mission to Mexico City. "As a result of this visit, we are confident that there are great possibilities for the establishment of business relationships between Mexico and Georgia which will be substantial, lasting and mutually beneficial."

Among the Georgia businessmen on the mission were suppliers of vegetable oil processing equipment, wire ranging from fine to heavy power transmission cable, magnetic ink banking documents, semi-automatic reforestation equipment, pulp, paper, and kaolin, trucks and buses; and a real estate investor.

The Georgia mission, which had the cooperation of the Commerce Department, was the sixth in a series of overseas "trade treks" sponsored by the Department of Community Development over the past three years.

Cooling Show In Caracas

The Venezuelan Chamber of Ventilation, Air Conditioning and Refrigeration Equipment Industries is planning an exhibition for Nov. 22-30 in Caracas. U.S. companies are urged to make early arrangements through their agents or licensees. Foreign firms not presently represented in Venezuela may also participate.

The market for most of this equipment is limited by protective duties, but most components are imported for local assembly. Write: Camara Venezolana de las Industrias de La Ventilacion, Aire Acondicionado, Refrigeracion, Afines y Conexas, Aptdo. 70011, Caracas.

Worldwide Business Outlook

Iran's Mushrooming Needs Stirring Heavy Competition

Opportunities for doing business in and with Iran in 1975 are virtually unlimited. But whether American businessmen get their share in head-to-head competition with counterparts from Europe and Japan depends largely upon the extent of their desire, resourcefulness, and stamina, according to David E. Westley, Commercial Attache at the U.S. Embassy in Tehran.

U.S. exports to Iran have done well (without counting sales of directly defense-related goods and services—in itself a large and diversified market). They more than doubled in value between 1973 and 1974, from $556.3 million to $1.4 billion. Although a sizable part of this increase (more than $400 million) was accounted for by agricultural products, the value of other exports also rose substantially. This was especially true of developmental items.

The boost in U.S. agricultural exports to Iran reflects both the increase in living standards and food consumption of the population and the lag in Iranian efforts to raise agricultural output. Larger U.S. sales of other products, notably machinery and transportation equipment, is an indicator of the accelerated pace of Iran's economic development program.

This upward curve should continue past 1975, as many of Iran's development projects come closer to implementation. New business opportunities will arise both to participate in spectacularly large projects and to supply a myriad of continuing needs in the capital and consumer goods sectors as the Iranian economy expands and import liberalization takes place.

The five-year target in non-oil, non-military business between the United States and Iran recently announced following the March meeting of the Second Session of the U.S.-Iran Joint Commission (*Commerce Today*, March 17) is a significant development. The Joint Commission and its implementation have further brightened prospects for U.S. business. The $15 billion goal is not unreasonable; however, it will not automatically be attained or surpassed without thorough study of the market, careful preparation, and hard work on the part of the American businessman.

Undoubtedly, the key factor in considering Iran as a place to do business is the country's massive Fifth Plan for economic and social development, covering the five-year period ending March 20, 1978. This program is budgeted at $69.6 billion and is backed by annual oil revenues which last year surpassed $20 billion.

The spending figure for the five years is almost double the original target. Moreover, it does not include other government expenditures including more than $29 billion for defense. The increased Fifth Plan sums appear easily affordable in light of projected revenues.

About 65 percent of the Fifth Plan outlay, or almost $45 billion, is earmarked for the economic sector, another 27 percent or $19.1 billion is for social development projects, and the balance of $5.6 billion is designated for public affairs (comprising government buildings and facilities, statistical and technical services, information and mass media, and other services).

Major categories in the economic area include (in billions of dollars): industries, 11.6; oil, 9.2; transportation and communications, 7.3; electricity, 4.6; agriculture and natural resources, 4.6; gas, 2.5; water, 2.5; post and telegraph, 1.4; mines, 1.0; and tourism and commerce, 0.4. In the social development field allocations include: housing, 1.1; rural development, 0.9; health care, 0.7; multi-purpose regional development, 0.1; and other, 0.6.

A glance at planned investment in industry, of which 62.5 percent is in the private sector, shows greatest allocations for steel and other metals, chemicals and petrochemicals, nonmetallic minerals (primarily for the building industry), wood and paper, food, and textiles, leather and handicrafts. These are followed by nonelectrical machinery, transport equipment, and electronics and electrical equipment.

In announcing results of the Washington meeting of the Joint Commission, a number of specific fields were identified as of special importance in terms of U.S.-

Tips On Doing Business In Iran

Commercial Attache David Westley offers this personal advice to Commerce Today readers:

The report above adds up to across-the-board opportunities to do business in Iran in almost any field that you can name from computers to construction equipment. But please do not buy an expensive airplane ticket, pack an overnight bag and without further thought, send a telegram to the Commercial Attache stating, in effect, "Am on my way. We cannot lose."

If you are interested in the Iranian market, it will pay to undertake the same kind of careful preparation that you would in opening a new and unknown United States sales territory. In other words, do your homework. A vast amount of useful information is available to the businessman from the Commerce Action Group for the Near East (CAGNE) in the U.S. Department of Commerce in Washington, D.C., directly or via one of the 43 District Offices of the Department located in major U.S. market centers. For example, information is available on specific areas of the Fifth Plan and on marketing and investment conditions in Iran, along with good advice and guidance on how to break into this market. You may even save yourself a trip if your product is not salable for one reason or another. Generally, you will need an agent or local representative; you can usually locate a good one through the Department of Commerce. Or, if you are planning an overseas trip and plan to take on an agent, begin the process before you depart.

Make certain that hotel reservations are firm before you arrive. Reconfirm them at least once if possible.

When you arrive in Tehran, the Economic-Commercial Section of the Embassy will be happy to supplement and update whatever information you have already obtained; however, because of the exigencies of international travel, the Embassy is unable to make advance appointments. Check on holidays. The Iranian weekend is Thursday and Friday. Don't expect to do any business on those days—with the possible exception of Thursday morning—unless prearranged. The American Embassy is open from 8:00 a.m. to 4:30 p.m. Sunday through Thursday.

The U.S. Trade Center in Tehran can showcase your company product and technology through its program of major exhibits—eight are planned in fiscal 1976. When no events are scheduled, the Center is available to you or your agent on a cost-free basis to promote or introduce American-made equipment and technology, test-market new systems or evaluate market potential. Ask CAGNE how you can make use of this promotional wing of the Embassy, and by all means visit the Center when you come to Tehran.

Iran cooperation. These include nuclear power, petrochemicals, electronics production, housing, hospitals, port facilities, vocational training facilities, fertilizers, pesticides, farm machinery, and processed foods.

Of special significance to development and solidification of closer U.S.-Iran business ties was the conclusion by Joint Commission participants of a five-year technical cooperation agreement, providing for technical and training services, advisory personnel, and supply of related commodities and facilities for implementation of mutually-agreed upon joint projects in such areas as industry, agriculture, social affairs, and infrastructural development. The planned establishment of a Joint U.S.-Iran Business Council should also help "plug in" businessmen of both countries to major economic/social developments where they can play a major role.

Another factor in the current Iranian business climate is the trend toward liberalization of imports in step with the country's good financial position and as a counterinflationary measure. As per capita income and the urban population grow there is increasing demand for a wide range of consumer goods, and the government's inclination to provide the average Iranian with a better choice of products at more competitive prices is expected to continue. The freeing up of imports just announced for the Iranian year that began March 21 is not as great as that announced a year earlier, but the Commercial Benefits Tax was cut or eliminated for some 60 commodities and 14 items were taken off the nonimportable list. According to preliminary information, import restrictions have been lifted and/or import taxes removed or reduced for various household appliances, prefabricated housing, wooden furniture, silk or nylon hosiery, and toys.

In spite of this move toward liberalizing imports, U.S. suppliers must recognize that Iran will continue to protect its infant industries until they are able to make their own way or prove totally uneconomic. Along with this, American businessmen would do well to assess carefully the strong tide toward import substitution and production for export. With a market of some 33 million people, significant raw material resources and ample local capital, Iranian officials have made it clear that they intend to develop a strong and diversified industrial base within their country. In addition to heavy industries, they are particularly interested in areas which will meet needs of basic industries, e.g., refineries, automobiles, textiles, etc., and will utilize the products of such industries as steel and petrochemicals. Agribusiness is another area receiving special priority.

GTE GETS IRAN CONTRACT—*General Telephone & Electronics Corp. is providing Iran with its No. 1 EAX (Electronic Automatic Exchange) computer-controlled system, shown above.*

Peru's Impressive List Of Projects Is Well Worth Extra Sales Effort

Selling to Peru can be difficult. The paperwork is complex, transportation to Peru is deficient and payments are slow and drawn out due to government regulations. Despite these problems, advises Richard Rueda, Jr., Commercial Attache at the U.S. Embassy in Lima, Peru offers excellent prospects for sales of U.S. goods. Rueda reports that if developed and cultivated this market should increase sharply, particularly in the post-1976 period when some of the government's large scale development projects are scheduled to begin operation.

The short-run outlook for Peru's economy is favorable. GNP is expected to increase by 6 percent a year during 1975-76, about the same as 1973-74. Domestic prices, which rose 19 percent in 1974, are expected to increase about 25 percent this year. Although balance of payments pressures will continue, the government intends to maintain imports of essential goods.

During 1974 Peru's imports reached a record level of approximately $2 billion on a c.i.f. basis, an increase of more than 50 percent over the previous year, but largely due to higher prices. Preliminary estimates indicate that imports should increase by at least 25 percent annually this year and next.

The traditional U.S. share of Peru's market is approximately 30 percent. Preliminary results for the first nine months of 1974 indicate that our share of imports of 1974 may have exceeded 32 percent. This trend shows that there is a possibility for increasing the U.S. share.

Keys to success

Success for any exporter depends on careful attention to three basic aspects.

First, the public sector is dominant in the economy, because the state is taking over more and more existing enterprises and is virtually the only sector which has undertaken large new investment projects. Few projects announced for the public sector are likely to become reality, at least in the medium term. But even with a large noncompletion factor, the number of large new investment projects to be undertaken by the public sector in mining, petroleum refining, fertilizers, petrochemicals, etc., is impressive and well worth a great deal of selling effort.

Second, most importers and end-users operate under what amounts to an import quota system due to the use of an annual importers' card which sets a value limit on the amount of imports that can be purchased. New-to-market products, therefore, have to break into the market by

LOADING AT PERUVIAN PORT—*Fishmeal pellets are put aboard a freighter at the port of Pejerrey, about 22 miles from the town of Pisco, south of Lima (World Bank photo).*

replacing an existing import item. Also, there is no carry-over provision from one year to the next in the import cards. U.S. exporters should be prepared to ship as rapidly as possible as the end of the year approaches in order to help customers use up each year's import card.

Third, most real growth is in major projects. The public sector will increasingly manage most major investment projects. There is stiff competition for these contracts from Japan, France, Germany, Britain, and some of the Socialist Bloc countries.

A key element in obtaining important contracts for these projects involves the supplying of financing. The Peruvian Government increasingly prefers that financing be included in major project offers. Some U.S. competitors have an advantage, but the Export-Import Bank has granted several credits during the last year and is prepared to continue to assist the export of U.S. goods and services to Peru. Some U.S. competitors, however, do offer better credit terms.

During 1974 U.S. prices probably became slightly more competitive as the dollar declined in European foreign exchange markets.

The government will be concentrating its investments in mining, petroleum, fertilizers, petrochemicals, steel and certain basic manufacturing and metalworking industries. U.S. manufacturers of mining and construction equipment, food handling and food packaging machinery, machine tools, and agricultural machinery and tools should have good opportunities for sales. Imports of capital goods increased to $612 million during 1974, compared with $318 million in 1973.

Consumer good imports are strictly controlled, but our competitive prices give us the opportunity to gain sales against traditional suppliers. In 1974, according to Ministry of Finance statistics, imports of consumer goods increased to $210 million from 1973's total of $129 million.

An increasing import category is that of raw materials and intermediate goods, which increased last year to $909 million from 1973's $387 million, the result of increasing demand by newly established domestic industries for raw materials and for parts and accessories for assembly operations.

An increasing requirement caused by the trend toward government control of major investment projects is the need for services of consulting firms and for the purchase of improved technology. The very large projects under preparation usually require first-rate consulting firms, which are hired by the government entities in charge of these projects. Not only are these contracts profitable in themselves, but they can also lead to large equipment sales from the United States as specifications and requirements are determined. The Peruvian Government is also interested in purchase of the latest type of technology for its new projects.

Some of these contracts require patient and time-consuming contacts with official government entities over an extended period of time with no assurance that a contract will be negotiated. Sometimes the most difficult task is to assist the Peruvians in determining the scope of work. It appears, however, that the Peruvian Government is interested in obtaining the best consultants and technology possible and that the United States is in a favorable position to supply these inputs.

The private sector is becoming less important as the government carries out its announced plans for a structural reform of the economy. At the same time, fiscal incentives and generally high profits during 1974 allowed private businessmen to have funds available for investment. The government has announced that "social property" organizations will be the priority type of enterprise in the future. Pending this development, however, private businessmen are interested in continuing to buy new equipment for expansion in certain fields. As a long-run trend it is clear that the private sector will continue to become relatively less important as the government proceeds with reforms to lessen the "capitalist" nature of the economy.

The major U.S. trade promotional activity in Peru during 1975 is participation in the Pacific International Fair Nov. 12-23. Last year the United States had successful participation at the World Mining Fair. These fairs not only provide opportunity to contact practically all major purchasers of equipment in Peru, but capital equipment shown can be sold without being charged to importers' cards. They thus provide opportunity to sell additional equipment which otherwise could not be sold, Rueda points out.

The Department of Commerce has carried out market research studies in five fields. They are available from the National Technical Information Service (NTIS), U.S. Department of Commerce, Springfield, Va., 22151, at $10 each. A check payable to NTIS should accompany each order. The studies and order numbers are: DIB 75-05-503, Metal Working Machinery and Equipment; DIB 75-05-504, Chemicals and Petrochemical Industry Equipment; DIB 75-05-505, Food Processing and Packaging Equipment; DIB 75-05-506, Agricultural Machinery and Equipment; and DIB 75-05-507, Earthmoving and Mining Equipment and Machinery.

The investment climate remains mixed. Except for petroleum exploration and the large open-pit copper mine at Cuajone, U.S. direct investment has remained low. The strict controls established by the Andean Investment Code seem to discourage investment, as do existing foreign exchange and import controls and the pronounced tendency toward more government control of the economy. U.S. investors should consider Peru only if they are prepared to enter into joint venture arrangements, have enough patience to face government bureaucracy and are interested in producing for the Andean market.

Finland Offers Good Market Potential Despite New Import Deposit Program

Prospects are good for increased U.S. exports to Finland in a number of product categories. Wallace F. Holbrook, Commercial Attache at the U.S. Embassy in Helsinki, believes that Finland's new import deposit program will not markedly reduce potential for additional sales in these areas.

Sales of U.S. products to Finland increased substantially in 1974, continuing the upward trend that began in 1973. The U.S. share of the Finnish market rose to 5.1 percent from 4.7 percent in 1973. This advance was achieved through increased sales over a wide product range. Finnish purchases from the United States in 1974 amounted to $344 million, a 66 percent increase over the previous year. The United States continued as Finland's fifth largest supplier, ranking behind the USSR, Sweden, West Germany and United Kingdom.

Overall Finnish imports rose to $7.3 billion in 1974, a 54.7 percent increase over the previous year. The rapid increase in imports was not matched by an equivalent export expansion, leading to a record trade deficit. The Finnish Government in March announced an economic program to deal with the adverse trade and current account deficits, including an import deposit scheme calling for six months' non-interest paying deposits on about half of Finland's imports. The rates of deposit range from 5 to 30 percent, averaging about 25 percent. The government program also calls for increased investment in export-oriented and import substitution industries.

A high Bank of Finland official has predicted that the import deposit program will reduce Finland's trade deficit by about $285 million. Such a reduction should not markedly reduce the potential for U.S. sales to the Finnish market. Furthermore, the proportion of goods subject to import deposits, such as consumer goods and most consumer durables, is higher in the import mix from most Western European trading partners than from the United States. The possibility of further government action presumably depends on future developments in the trade and payments balances. Past U.S. sales and future opportunities for U.S. exports are substantially within the product categories of machinery, equipment and raw materials needed for investment and export production.

U.S. agricultural products had a good year in Finland in 1974, with corn and cotton showing greatly expanded sales and other products, such as oil seeds, fresh, dried and preserved fruits and vegetables, and raw tobacco doing well.

Considering the Finnish market from the point of view of the target industries selected by the Department of Commerce for export promotion, the following represent in rank order the best prospects in Finland. Energy systems is first both in terms of size of imports ($162 million) and increase from 1970 to 1973 ($82 million). Communications equipment ranks second in both size of imports in 1973 ($126 million) and increase 1970-73 ($69 million). Third ranking in both categories of import size ($78 million) and amount of increase ($28 million) is process control instrumentation. The high level of sales of process control instrumentation reflects the drive of Finnish industry to automate in order to remain competitive in the international market. With imports amounting to $57 million in 1973 and a 1970-1973 increase of $26 million, building and construction supplies and equipment ranked fourth.

Other target industries

Other target industries that had a good level of imports as well as a substantial increase in sales in the period 1970-1973 were computers, food processing and packaging equipment, laboratory instrumentation, electronic components, health care equipment and instrumentation, and business equipment and systems. Imports in these target industries ranged from $75 million (metalworking machinery) to $25 million (health care industries). Import increase was from $27 million (computers) to $7 million (business equipment and systems).

Trailing the list of target industries from the standpoint of size of imports and recent increase are graphic arts, pollution control, electronic production equipment, and aviation electronics and instrumentation. However, there can be substantial local buyer interest in products of this last industries' group. For example, the Embassy assisted in organizing a visit by a group of 40 Finnish businessmen in the printing industry to Printex '74 in Chicago in November.

A recent analysis by the Embassy identifies product categories and products within target industries that have highest potential for incremental export sales to Finland. According to this analysis the leading product category is pumps and compressors for liquid air and gas (BTN 84.10 and BTN 84.11). Other specific products that have substantial potential are free piston generators for pneumatic machines and tools as well as similar piston equipment for refrigerators and refrigeration plants. A related product category with major sales potential is taps, cocks and valves (BTN 84.61).

Imports of power transmission equipment (BTN 84.63) doubled between 1970 and 1973 rising to $23.8 million. The U.S. share was only 4.3 percent in 1973. Products within this category which have a good potential in Finland include articulated shafts (also with safety clutches and couplings), bearing housings and plain shaft bearings, gears, sets of gears and gear boxes, and shaft couplings. Another product category whose imports doubled between 1970 and 1973 is refrigerators and refrigerating equipment (BTN 84.15). The U.S. share declined in those years from 5.1 percent to 1.1 percent. Local business sources say this trend could be reversed by more promotional and marketing activities, as U.S. products in this field enjoy a high local reputation. Household units still constitute a major portion of imports, with commercial refrigerators also an important sector together with compressors, condensers and evaporators.

Another product category for which there was substantial increase (70 percent) in imports between 1970 and 1973 is electrical circuit apparatus including control panels (BTN 85.19). Imports rose to $46.6 million in 1973, with the U.S. share dropping to 3 percent. Products offering good market opportunities under this category include automatic switches, circuit breakers, regulators, relays, fixed and variable resistors and control panels.

Telephonic and telegraphic equipment, both radio and electric line, have an expanding import market in Finland, doubling in value between 1970 and 1973. Radio products with good potential in-

FINLAND OFFERS AMERICA — *Finns crowd into Helsinki's leading department store, Oy Stockmann Ab, for a promotion of U.S. food products last month called "Amerikka tarjolla" (We offer you America).*

clude radio telecommunication transmitters and receivers, TV cameras and transmission apparatus, and TV for technical and medical use. Electric line products offering possibilities include telephone apparatus and equipment as well as telephone exchanges and teleprinters.

In the field of industrial machinery, both earthmoving equipment (BTN 84.23) and machine tools for working metal (BTN 84.45) afford good possibilities. While Finnish imports of earthmoving machines were doubling in the period 1970-73, the U.S. market share declined to 4.5 percent. This product category is a broad one which includes excavating, leveling, tamping, boring and extracting machinery such as mechanical shovels, scrapers, levelers and bulldozers, including items mounted on tractor type chassis as well as equipment with pivoting superstructure mounted on tracks. The U.S. share of machine tools dropped to 1.3 percent in 1973. This development underscores competitive conditions facing U.S. suppliers; they must be prepared to meet price competition and offer favorable delivery dates if they wish to take advantage of sales opportunities for automatic lathes, drilling and boring machines, milling machines, grinding and sharpening machines as well as shearing and punching machines and presses.

The U.S. Trade Center in Stockholm and the new Helsinki International Fair Center (opened Feb. 7) offer display opportunities for U.S. companies interested in entering the Finnish market. The Helsinki International Technical Fair, Sept. 9-13, will focus on capital goods.

Danish Food Processors, Packagers Need Equipment That U.S. Can Supply

Now is the time for U.S. exporters of food processing and packaging equipment to make an extra sales effort in Denmark, advises Robert G. Kemp, Commercial Attache at the U.S. Embassy in Copenhagen. One of the few areas where a fair amount of optimism still exists in Denmark's otherwise bleak economic picture is in the food industry, and the depressed dollar makes U.S. equipment highly attractive in the Danish market.

Total imports of equipment and products relating directly to the food processing sector increased by 30 percent from $19.2 million (at U.S. $1 = DKR 6.05) in 1973 to $24.8 million in 1974. U.S.-sourced equipment's share in this increase actually showed a 10 percent decline from 1973: U.S. market share was therefore reduced from 7.1 percent ($1.4 million) in 1973, to 5 percent ($1.2 million) in 1974. Figures for 1974 are based on 9 months' official statistics extended to a full year. Imports relating to the packaging sector increased by 17 percent from $19.5 million in 1973 to $22.8 million in 1974. Value of imports from the United States was unchanged ($1.7 million); U.S. share of market dropped from 8.8 percent in 1973 to 7.3 percent in 1974. Although no breakouts are available, the trade estimates that approximately 60 percent of the packaging imports were for the food sector.

U.S. export sales represent only part of the U.S.-branded equipment going into the Danish market. A sizable (but unmeasurable) portion of both processing and packaging equipment comes from U.S. subsidiaries, usually located in other Common Market countries.

Kemp recently visited food processors, food equipment manufacturers and distributors in the Copenhagen area and in manufacturing centers on the mainland. Probably the hardest hit of the processors are those in the poultry business. Pork and beef raisers are also feeling the pinch between increased feed costs and the prices the livestock brings at meat packers. Growers, particularly hog and poultry farmers, have therefore cut back on their raising programs and numerous packers have been unable to maintain full production due to a shortage of raw materials. Foreign exchange losses, particularly for exports invoiced in U.S. dollars, have further reduced earnings.

Reflecting the most responsible assessments gathered from many interviews covering the food and beverage fields, the market development pattern over the next 12-18 months looks as follows:

- In spite of higher prices, food and beverage industries will continue to reflect modest growth.
- Many of the new food items, such as "heat & serve" prepared dishes and TV type meals for home consumption, will either be postponed or only modestly promoted. Chicken and turkey rolls, just beginning to appear, will probably develop slowly.
- The emphasis will be on cheaper cuts, less expensive quality, and foods with a wide range of versatility.
- Food processors, while still searching for labor-saving devices, will generally be very cautious in investment programs.
- Present machinery will be combined with labor-saving components that will improve or increase production or packaging volume.
- Equipment for quality control will enjoy high priority.

Earlier progress in the convenience foods area has suffered a setback, partly because many housewives are resisting the price premium due to housekeeping budget cuts, but also because, as more and more women are laid off through labor cutbacks, they now have time to prepare the family's food at home. Bakers, for example, have felt this noticeably, as more and more customers turn to baking their own bread.

One large meat packer, who has suffered a substantial loss in his U.S. canned ham turnover, plans to rationalize his labor increment in order to hold the line against steadily increasing raw material costs. He has temporarily shelved plans for substantial investment in a wide range of processing and packaging equipment. The firm's present interest is in quality control equipment to function as insurance against the risk of returned off-condition merchandise.

One of Denmark's largest pork processors, exporting 80 percent of its production, was probably the most bullish of all the processors visited. Its management feels U.S. equipment is the quality line in the areas of smokehouses, can closure equipment, slicers and mixers. They also like U.S. frankfurter and table-ready meat stuffing machines and, particularly, stuffer/linkers. Management commented that, although normal sources for equipment are Germany and the United States, they have sometimes preferred German equipment because of better and more convenient service, but mostly because the Germans pay closer attention to sales efforts and inquiries for offers. This company also emphasized its interest in quality control and laboratory testing equipment and dramatized a recent experience where most of one month's earnings were lost due to returned merchandise. Another item on the firm's want-list is a high-volume, 6-ounce canning and closing line.

The Dane is developing an appetite for potato chips and a wide variety of other snacks. Denmark's largest potato chip plant exports 60 percent of its production of plain and specialty flavored chips and at the same time is expanding its domestic market. Two long-established firms have recently merged, not only to continue their specialty production of marzipan and cookies, but also to develop a line of snack items, including popcorn. They, too, are interested in labor-saving packaging equipment and materials that will increase shelf life of their complete line.

Pet foods, according to the trade, have a good future in Denmark. They come in a variety of types, including artificial casings stored under refrigeration as well as in aluminum pouches, evacuated and retorted with shelf life of approximately two years. The dry product is marketed in bags and boxes.

Cartridge pack containers are finding growing application. In addition to sau-

sage, they are used for hamburger, pet foods, cheese, and cookie doughs. A Norwegian dynamite manufacturer packs his dynamite with this equipment! Manufacturers are considering using a similar pack for heat-and-eat soups, spaghetti, ice cream, etc.

Research is going along briskly in the field of texturized soy protein products. These will probably enjoy a more rapid growth than some of the more glamorous convenience foods due to the fact that they serve a high protein meal at a modest price. R & D food laboratories are considering end-products which can be canned, frozen or freeze-dried. American know-how in this field will be closely studied.

In the beer and beverage industry, consumption of soft drinks is slowly dropping due both to lack of extra change in the hands of young pop drinkers and also to inroads of fruit and synthetic concentrates. Danish beer exports are growing satisfactorily. The brewery industry, bowing to pressure from municipalities concerned over pollution in the sea, is searching for new techniques to dispose of waste from yeast residue in the vats. Noise abatement in bottling plants is still a major area of concern. Equipment for clarifying and recycling waste water will find buyer interest in the beverage as well as food processing industries.

In addition to items mentioned above, shrink overwrap for retail-sized packs (6, 12, 24 oz.) in everything from beer in cans and bottles to canned peas and marmalade in jars are rapidly gaining in popularity.

Oxygen barrier bags are of interest to beef dressers for aging beef for the catering trade. It is also planned to export quality cuts in this manner, particularly to the U.S. market.

American-made can fillers and sealers enjoy an excellent name, as do box and carton formers. In the quality control field, measuring devices for mixing as well as controlling cooking and cooling temperatures are high on the list. Laboratories of Danish meat product manufacturers are interested in meat, mix and fat analyzers.

In an economy afflicted by a number of debilitating ailments, Denmark's food industry is in relatively fair condition. The best projections seem to indicate a flat to slightly increasing trend over the next 12 months. Plans for substantial capital investment are ready for implementation, however, at the first sign of general economic recovery. The export market is still the cornerstone of the Danish food industry. In spite of the U.S. price break, Danes have no intentions of forfeiting the U.S. market. Exports to the United Kingdom continue satisfactorily, and the domestic market, since the first of the year, is showing signs of improved health.

American manufacturers must take better care of their correspondence with Danish customers, many of whom are inquiring for offers from the United States for the first time. American salesmanship should make obsolete the complaint, still often heard, that U.S. manufacturers are slow to respond to trade inquiries and tend to neglect follow-through on after-sales service.

Canada Amends Rules On Packaging, Labeling

Canada's new Consumer Packaging and Labeling Regulations are being amended to exempt certain items from bilingual and metric labeling requirements and to alter rules for labeling items in metric units only.

Among items affected are certain non-food items wrapped in visible packaging; replacement parts for vehicles, appliances or other durable consumer goods; packages consisting of a single article having an accurate pictorial representation on the principal display panel; "one-bite" confections sold individually; and greeting cards, books, talking toys and games in which a knowledge of either French or English is essential to use. In most of the exceptions the package must clearly show the identity and principal place of business of the manufacturer as required in subparagraph 10(b)(i) of the Consumer Packaging and Labeling Act.

Deadlines for compliance with the new regulations are Sept. 1 for non-food products and March 1, 1976 for food products. In order to prevent hardship on Canadian importers of prepackaged products, Canada's Department of Consumer and Corporate Affairs indicates that it initially intends to allow entry into Canada of labeled products which do not meet requirements of the Act, providing the importer agrees to re-label them in the correct manner before they are shipped to any distributor or retailer.

Commerce District Offices can supply U.S. businessmen with copies of the Consumer Packaging and Labeling Regulations and amendments; explanatory guidelines designed to assist manufacturers in ensuring that cartons and labels will meet requirements; and addresses and telephone numbers of Canadian Government agencies which are prepared to render advisory opinions on whether proposed labels and/or cartons will meet requirements.

Any interested person who wishes to make representations with respect to these proposed regulations may contact, until June 9, the Assistant Deputy Minister (Consumer Affairs), Department of Consumer and Corporate Affairs, 1 Place du Portage, Ottawa/Hull K1A 0C9.

Commerce Embargoes Exports To Cambodia, South Vietnam

Shipments of virtually all U.S. products to Cambodia and South Vietnam now require validated export licenses. Since the fall of these two countries into Communist hands, no validated licenses have been issued and all outstanding licenses have been suspended.

The action taken May 16, after consultation with the State Department and authorized under the national security and foreign policy provisions of the Export Administration Act of 1969, expands validated licensing requirements to virtually all shipments to the two destinations. Under the new classification, Cambodia and South Vietnam are now listed as Group Z countries along with North Vietnam, North Korea and Cuba. The general embargo policy in effect for these countries is to deny licenses for any exports except where special humanitarian considerations are involved.

Details of this action are described in Export Administration Bulletin No. 138, dated May 15.

South Africa Looks At Duties

Applications have been received by South Africa's Board of Trade and Industries to raise import duties on: Bars, rods, angles, etc., of copper and phosphor bronze, and copper wire classifiable under tariff subheadings 74.03.10, 74.03.20, 74.03.90, 74.07.50.10, 74.07.50.90, 74.-01.40; sprayers, not power-operated, of a capacity not exceeding 8 liters, classifiable under tariff subheading 84.21.30.20; fixed capacitors classified under tariff subheading 85.18.10.90; carboxymethylcellulose classifiable under tariff subheading 39.03.65; impregnated, coated, covered, or laminated textile fabrics classifiable under tariff subheadings 59.08.90, 59.12.90.

U.S. firms adversely affected by these proposed increases, which appeared in the *South African Government Gazette* of March 28, should contact their South African agents regarding representation to South African authorities.

Copy Available Of Nigerian Plan

Nigeria has formally launched its Third National Development Plan 1975-80, calling for expenditures totaling some $49 billion.

A copy of the Special Launching Edition of the Plan, announced March 29, is available on a loan basis from: Country Marketing Manager—Nigeria, OIM/BIC, U.S. Department of Commerce, Washington, D.C. 20230.

Bound copies of the three-volume general edition may be ordered direct from the Ministry of Information, Lagos.

International Business Reports

Economic Surveys on France and the United Kingdom. Published by the Organization for Economic Cooperation and Development. $1.75 each.

Each survey shows recent economic developments and forecasts prospects for the short and medium-term.

Write: OECD Publications Center, Suite 1207, 1750 Penn. Ave. NW., Washington, D.C. 20006.

Fifty Years of U.S.-Soviet Trade. By J. M. Tatcher Feinstein. 256pp. $10.

In this historical account of Soviet-American trade, the author discusses the influence of political events on U.S.-Soviet trade from 1917 to the present era of detente. His personal experiences for 46 years as a member of AMTORG Trading Corporation—the only authorized agents representing Soviet commercial organizations in the United States—with problems of trade and transport of export and import are recounted. Also includes a compilation of relevant documents and statistics.

Write: Symposium Press, Inc., 245 Mamaroneck Ave., White Plains, N.Y. 10605.

A Turning Point for Economic Policy in Canada. By Judith Maxwell. April issue of HRI Observations, published by C.D. Howe Research Institute. 25pp. Annual subscription $5, individual booklet $1.

When Canadian Finance Minister Turner and his budget advisers prepare the forthcoming federal budget, writes the author, they will be working with a broader array of policy levers than any of their predecessors have had. And they will have to try to make an integrated set of policy decisions that will encompass wage and price restraint, the budget itself, monetary and exchange rate policies, and the proposed increase in energy prices. In this booklet an attempt is made to analyze problems confronting policymakers this spring and to put forward some constructive suggestions about how to respond to the current economic difficulties of recession and inflation.

Write: C. D. Howe Research Institute, 2060 Sun Life Bldg., Montreal H3B 2X7.

International Businessman's Guide to Official Washington. 1975. By Nelson T. Joyner, Jr. 305 pp. $144.

Identifies government experts and specialists, services, publications and market research that may be of value to persons engaged in international business. Four major sections contain: eight directories, identifying more than 2,000 officials in some 40 key Washington agencies; a 96-page "road map" to Washington resources that identifies and describes by function 700 government services; description of 15 U.S. government services, budgeted at more than $20 million; a check list which identifies more than 500 U.S. government publications, periodicals and market reports pertaining to international business.

Write: Rockville Consulting Group, Inc., 414 Hungerford Dr., P.O. Box 1364, Rockville, Md. 20850.

Accounting for Inflation. Edited by Michael O. Alexander. Toronto. 112 pp. $3.95.

Brings together the findings of many authorities into a basic work on a controversial topic of interest to all businessmen. Writings, after a general introduction, cover: dilemmas of inflation and deficiencies of convential accounting and financial reporting; price level accounting; current value accounting; inflation and corporate reporting to shareholders, labor, government and the public; and priorities for action—by business and the accounting profession.

Write: The Financial Post, 481 University Ave., Toronto, Ontario M5W 1A7.

Urban Population Growth Trends in Latin America. By Robert W. Fox. Published by the Inter-American Development Bank. 103pp.

This report, available in either English or Spanish, examines population growth trends, experienced and projected, over the 1950-2000 period for the 639 cities with more than 20,000 inhabitants in the six countries of Argentina, Brazil, Chile, Mexico, Peru and Venezuela, which, taken together, contain about 73 percent of the total Latin American population.

Write: Inter-American Development Bank, Washington, D.C. 20577.

Calendar For World Traders

May 28-30—Ann Arbor—Seminar on Investing Successfully in the Global Environment of the Seventies, Campus Inn. Sponsors: University of Michigan, Detroit Commerce District Office. For information, Frixos G. Massialas, 313-763-1387.

May 29-30—New York—Seminar on Relocating Employees Overseas, World Trade Institute.

May 29-30—New York—Special Conference on The Canada Business Corporations Act—Its Impact on U.S. Participation, World Trade Institute.

May 30—Oakland—Salute to the Maritime Industry in Oakland. Sponsor: Oakland Museum Assn.

June 3—New York—FCIB Roundtable Conference on International Finance, Credit, Collection and Exchange Problems, Summit Hotel.

June 3—New York—Seminar on Introduction to DISC, to be followed June 4-6 by Advanced Workshop on DISC, World Trade Institute.

June 4—Atlanta—Seminar on How to do Business in Israel, Stouffer's Inn. Sponsors: Atlanta Chamber of Commerce, Georgia Chamber of Commerce, Georgia Department of Community Development, Atlanta Commerce District Office.

June 4-6—New York—Seminar on Latin America: The New Look, World Trade Institute.

June 5—Philadelphia—Conference on Interchange of Technology and Industrial Research Between the United States and Israel, Hilton. Sponsors: American-Israel Chamber of Commerce, Philadelphia Commerce District Office.

June 5—Memphis—Mid-South Exporters Roundtable dinner meeting, Monte's & Sons.

June 5-6—Ann Arbor—Seminar on People's Republic of China: A Market of Potential Growth and Relaxing Restrictions, Campus Inn. Sponsors: University of Michigan, Detroit Commerce District Office. For information, Frixos G. Massialas, 313-763-1387.

June 10—Louisville—Kentuckiana World Commerce Council meeting, Port of New Orleans Night, Holiday Inn Brownsboro East.

June 10—Atlanta—Seminar on Trade with Brazil, Stouffer's Inn. Sponsors: Georgia Chamber of Commerce, Atlanta Commerce District Office.

June 10-12—New York—Seminar on The Trade Act of 1974, World Trade Institute.

June 11-13—Ann Arbor—Seminar on the Middle East: A Growing Market for Investment and Consumer Goods, with special emphasis on Iran and Saudi Arabia. Sponsors: University of Michigan, Detroit Commerce District Office. For information, Frixos G. Massialas, 313-763-1387.

June 13—New York—Overseas Automotive Club annual outing, Wykagyl Country Club.

June 17—Des Moines—Seminar on Doing Business with the Major Oil Producing Countries of the Near East. Michel Smith of the Commerce Action Group for the Near East will speak. For information, Des Moines Commerce District Office, 515-284-4222.

Worldwide Business Opportunities

International trade specialists in the Department of Commerce and Foreign Service Officers in the U.S. Embassies and Consulates around the world are continually developing specific commercial opportunities through which American companies can find buyers, agents, partners or investors abroad. One of the major means for communicating these opportunities promptly and accurately to the U.S. business community is through the columns of this magazine.

The section that follows presents details about licensing and joint venture proposals, opportunities to sell to foreign enterprises and appoint agents, and details on major construction and expansion projects.

Licensing, Investment Abroad

SWITZERLAND—Medium-sized manufacturer of venetian blinds, shutters, sashes and sun control devices wants to diversify. It seeks distribution and manufacturing rights for **advanced complementary products for building industry, outfits for rooms, sun control devices, home comfort products and new building materials.** Established in 1956, firm employes 70, maintains modern facilities for plastic and metal architectural work. Kurt Magg, Managing Director, Mewalux AG, 5635 Rickenbach, Canton Aargau. P-75342.

1311—GERMANY—Medium-size oil company seeks collaboration with U.S. firm of similar size for expansion of its **crude oil exploration and production activities.** German company distributes oil in both Eastern and Western hemispheres and also acts as a broker between oil exporting and importing countries. Established in 1962, had 1974 sales of $140 million. Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-75310.

1600, 8911—NORWAY—A group of Norwegian and other **civil engineering and construction companies** seeks contacts with American counterparts for cooperation on overseas projects. Types of cooperation envisaged include joint hire of skilled labor, engineering and consulting services, joint lease or purchase of equipment, joint venture contracts, financial cooperation and turn key projects. Major fields of activity of the group include: architectural and associated engineering; fisheries development; hydroelectric planning; industrial engineering and construction; transportation and urban planning; marine engineering and shipbuilding; and many others. Participating companies have been active in 65 countries on five continents. Further information is available from group's coordinator: Egil Bjorn-Hansen & Co. A/S, Box 2471, Solli, Skovveien 2, Oslo 2. Telephone 56.30; telex 18390. P-75341.

1611—NIGERIA—Seeks joint venture with **American construction company, especially for road construction.** Nigerian firm operates moderate and growing operation. Lack of equipment and technical expertise has prevented company from bidding on large projects. Need heavy equipment such as pavers, rock crushers and bulldozers, plus engineering personnel. Managing director plans to visit U.S. latter part of June. A. A. Daodu, Managing Director, Oasis (Nig) Ltd., Adekemr Chambers, N6A/405 Oyo Road, P.M.B. 5372, Ibadan. WTDR. P-75311. OPIC.

2099—INDIA—U.S. technical know-how is sought for **extraction of protein** from **guar gum meal and for processing of guar gum powder into various derivatives.** India is leading guar seed processing country in world. Plant would be established in Rajasthan State to process 25 tons of guar seeds which would yield 6 tons of guar gum powder and 18 tons of guar meal per day. Firm is affiliated with one of India's largest exporters and distributors of tea and jute goods. Firm controls or manages group of industries which manufacture, distribute and/or export wide range of products. Additional information from Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-75312. OPIC.

3079, 3469—GERMANY—Seeks licenses to manufacture **plastic household articles and food containers and tinned and stainless wire strainers and sieves.** Founded in 1946, firm employees 250 and has annual sales of about $1 million in household article line. Mr. Schurrle, Manager, H. Winkelhardt & Co., 4618 Kamen, Henry-Everling-Str. 5. WTDR. P-75313.

3300, 3500—AUSTRALIA—Titan Manufacturing Co., wholly owned subsidiary of Broken Hill Pty. Co., Ltd., said to be Australia's largest company, seeks licensing agreement or joint venture undertaking to manufacture products allied to **tungsten carbide cutting tools, mine roof bolts, drilling and lathe bits, and mining machinery.** W. D'Este, Production Manager, Titan Manufacturing Co., Woodstock St., Mayfield, N.S.W. 2304. P-75324.

3400—UNITED KINGDOM—Large manufacturer of overhead garage and industrial doors seeks U.S. licenses for manufacture of compatible products to be marketed to building industry. Preference is for **sheet metal** and light to medium general engineering work. Existing sales territory includes the United Kingdom, France, Belgium, and Holland. Firm is one of 24 subsidiaries of Westland Aircraft Ind., well-known public company. C. L. Lawrence, Marketing Manager, Westland Engineers Ltd., P.O. Box No. 5, Yeovil: Somerset BA20 2YA, England. Telex 46335; telephone 0935-3622. P-75335.

3423, 3600—ITALY—Well known and highly reputable manufacturer seeks licenses. Prdouct interests include **garden tools, agricultural implements, small household electrical appliances, hand tools, electrical medical apparatus, stamped metal or plastic toys and boating accessories.** Write: S.A.F.E., Via Leonardo de Vinci 111, Grugliasco (Torino), Italy. Telex C. C. Postale 2/23968; or Givon Parsons (American Consul General Retd.), 1870 Virginia Ave., McLean, Va. 22101. P-75333.

3440—AUSTRALIA—Firm presently engaged in making custom built **stainless steel and aluminum equipment** for abattoirs, breweries, distilleries, confectionery manufacturers, food processing, pharmaceutical industries, seeks licenses to produce allied products. Has capacity to fabricate vessels up to 30 ft. long and 17 ft. in diameter. Bert Hill, Manager, Hill & Mills Pty., Ltd., 156 Young St., Carrington, N.S.W. 2294. P-75337.

3444, 3550—UNITED KINGDOM—Seeks licenses for manufacture of **high to medium engineering products.** Company manufactures special purpose machines of many types, including textile manufacturing equipment, automatic type setting equipment, confectionery packaging machinery. Company has fully equipped modern machinery, including universal milling and boring machines of up to 36″ x 47″ capacity with 71″ travel. Full design and consultancy service is available as well as high-quality sheet metal fabrication operation. Established 1956, employs 86. George Hare, N.S. Teasdale Group, 429 Strathcona Road, North Wembley, Middex, England. P-75339.

3479—WEST GERMANY—Manufacturer of chemical building materials is interested in manufacturing under license **fireproof coatings for steel constructions.** Interested in such a license for entire Federal Republic of Germany and possibly Europe as well. Company reports annual sales of over $8 million. Write: Ms. Doris Atkind, Trade Promotion, European-American Banking Corp., 10 Hanover Sq., New York, N.Y. 10005. Telephone 212-623-3600. P-75336.

3500—AUSTRALIA—State Dockyard, a major New South Wales corporation engaged in shipbuilding, engineering and manufacturing seeks licenses. Firm has considerable experience in **fabrication of pressure vessels, condensers, mining equipment, crushers, pumps, hammer mills, electric furnaces and other heavy machinery.** Wants to make related products or equipment in allied fields. Company is well managed, is government corporation. Firm's manager plans to visit U.S. in June. For further information interested American firms should contact Fulton Muir, The Commissioner, New South Wales Centre, Suite 6259, Five World Trade Center, New York, N.Y. 10048. Telephone 212-432-0155. P-75314.

3500—AUSTRALIA—Subsidiary of large engineering organization **seeks licenses to manufacture additional heavy machinery and equipment.** Is particularly interested in **production of commuter and regular passenger cars.** In addition to its general engineering activities, company specializes in manufacture of steel mill equipment, large industrial gearing and rolling stock. Also, makes diesel-electric locomotives, mining equipment, package boilers, presses and rubber processing equipment. Firm's plant is strategically situated on 36-acre site. Has facilities for design, steel fabrication, iron founding forging and machining. Serviced by both rail and highway. Company has licensing agreements with several prominent international companies. J. Beath, Marketing Manager, A. Goninan & Co., Ltd., Broadmeadow, N.S.W. 2292. P-75315.

3519—GERMANY—Seeks license to manufacture **stationary diesel engines for industrial use, 30-50 hp. range.** Jens C. Dolling, Engineering Consultant, 404 Neuss, Tacitus-Strasse 8. P-75316.

3541—JAPAN—Established firm seeks licensing arrangements to manufacture **pipe facers** designed for use with pipeline steel pipes of medium and small sizes (200 to 400 mm. in outside diameter). Firm now manufactures pipe facers for use with large sized pipes ranging from 600 to 2,500 mm. in outside diameter, and holds dominant market share in this product area in Japan. Company has patents covering manufacture of pipe

facers for large sized pipes in many countries and is open to cross licensing proposals. Established 1937, employs 600. Shinji Irie, Manager, Technology Dept., Daido Machinery, Ltd., (Daido Kikai Seisakusho, K.K.), 9 Takiharu-cho, Minami-ku, Nagoya 457. P-75325.

3545—FRANCE—Firm seeks licensing rights to manufacture **high precision mechanical components** in limited quantities. Parts should not exceed 100 lb. in weight and should be of advanced technology. Company presently engaged in precision metal cutting and drilling. Company employs 14 persons, has well-equipped plant. Annual sales volume is $500,000. J. Rousselin, President and General Manager, Ateliers Mecaniques R.V., 46 rue Bronzac, 94240 L'Hayles-Roses. Telephone, 350.20.50. P-75326.

3551—GERMANY—Seeks license to manufacture **fully automatic machinery for cutting or making beer bottle labels for control of filling dates.** Firm is affiliated with large manufacturer of brewing machinery and equipment and metal crowns for containers. Company enjoys good commercial reputation. Datograf Apparatebau GmbH, Austrasse 34, D-7100 Heilbronn. Cable DATOGRAF; telex, 07 28 562; telephone, 07131/73943. P-75317.

3555—GERMANY— Supplier and manufacturer of products for printing industry is seeking licensing agreements for **machinery and equipment used in printing industry.** Assembling arrangements are also of interest. Firm has 250 employees. Ralph F. Balog, Overseas Exports, Ltd., 426 W. Thunderbird, Wheaton, Ill. 60187, telephone 312-665-0548, has additional details. P-75338.

3559—GERMANY—Seeks licenses to produce **machines and apparatus** in field of **corrosion resistant products for the chemical industry.** German firm wishes to diversify its line which currently includes machinery, generators, armatures, tubing and valves. Founded in 1899, has 925 employees and yearly sales of $14 million. Rolf Meyer, Director of Development and Technology, Harzer Apparatewerke KG, Schwemann & Althoff. 3201 Bronum/Harz. P-75343.

3559—ITALY—Seeks license to manufacture newly developed systems for **treatment of municipal and industrial waste water.** Firm will specialize in manufacture of water filtering, demineralizing and reprocessing equipment for direct sale. Is affiliated with company involved in production of water purification facilities. Italian company will consider royalty or fixed fee arrangement with U.S. licensor. Reportedly, central and regional governments in Italy are considering measures to counteract water pollution in conjunction with water shortages in Italian cities and small towns. This should result in steady demand for water reprocessing systems and related equipment. Signor Franco Gambolati, TECNOIMPIANTI Costruzioni Metalmeccaniche, Corso Salvemini 20/16, 10146 Torino. P-75318.

3570—UNITED KINGDOM—Seeks licenses to manufacture **engineering laser systems and industrial electronic equipment.** British firm is distributor of construction, engineering and electronic equipment and electronic instrumentation. Roger H. Reeves, Managing Director, Reeves Construction Ltd., 103 King St., Knutsford, Cheshire WA 16 6EQ, England. P-75319.

3573, 3841—UNITED KINGDOM—Seeks licensing rights for manufacture of products compatible with its present lines. Firm is engaged in manufacture and selling of **optical scanners, data recorders, acoustic modems and medical instruments.** D. Jebson, Managing Director, E.M.S. (High Wycombe) Ltd., Chairborough Road, High Wycombe, Buckinghamshire, England. P-75330.

3573—UNITED KINGDOM—Large company seeks licenses to manufacture **computer peripheral equipment or specialized components for magnetic recording.** Firm presently produces computer tape and disc drives, magnetic tape cartridge drives and precision magnetic recording heads. Sells worldwide, has annual sales of $16 million, employs around 1,000. H. Pinn, Managing Director, Data Recording Instrument Co., Ltd., Hawthorne Road, Staines, Middlesex TW18 3BJ, England. WTDR. P-75320.

3585—UNITED KINGDOM—Market leader in field of oil, gas and dual fuel burners seeks to diversify into new product areas. Seeks licenses to manufacture **air moving pollution control, heating and ventilation equipment.** Will also consider production of allied equipment for commercial and industrial use. A. R. Nicholls, Nu-Way Heating Plants Ltd., P.O. Box 1, Viners Lane, Droitwich, Worcestershire, WR9 8NA, England. P-75321.

3621, 3452—ISRAEL—Seeks joint venture to **manufacture electric motors and license to produce nuts and bolts.** Proposed motor facility would make both collector type electric motors of less than 1 hp. and motors above 300 hp. Projects would be operated by Israeli Kibbutzim. E. Klein, Promotfin Ltd., 17 Chen Blvd., Tel Aviv. Telephone 03-288952; telex 3434. P-75327. OPIC.

3621, 3573—UNITED KINGDOM—Medium sized manufacturer wishes to expand its product range and seeks to contact U.S. companies interested in licensing arrangements for manufacture of complementary products. Presently produces **synchro and servo components and contact, and optical shaft encoders.** Established in 1962; 1974 sales, $3.6 million. P. B. Tennant, Marketing Manager, Moore Reed & Co., Ltd., Walworth Estate, Andover, Hampshire SP10 5AG, England. P-75329.

3631—UNITED KINGDOM—Manufacturer of **gas and electronic domestic cooking equipment and hobs** seeks contacts with U.S. producers of similar products. British firm wants to manufacture under license or enter into joint venture to purchase components and parts for final assembly in U.K. K. Brauer, Chairman & Managing Director, Carron Holdings Ltd., Carron, Falkirk FK2 8DW, Stirlingshire, Scotland. P-75322.

3731—AUSTRALIA—Firm presently operating in shipbuilding and shop maintenance industry seeks licensing arrangement involving **ship maintenance processes** including underwater cleaning, sandblasting and painting. Also interested in manufacture of **standard or specific components connected with ships and cargo handling systems.** Clem Varley, Managing Director, G. H. Varley Pty. Ltd., Everett and Parket St., Carrington, N.S.W. 2294. P-75334.

3811—HONG KONG—Professor seeks to sell all patents and rights to **information dial device** which aids in determining results of a chemical reaction, given the chemical inputs. Inventor states there is ready market for device among chemistry students, but he has insufficient means to manufacture and market it. Interested investors should contact Professor Lu Yung-Cheh, C.P.O. Box K-1902, Kowloon. P-75323.

3811—UNITED KINGDOM—Seeks licensing arrangements for manufacture of **electromechanical instruments** associated with marine and aircraft navigation or in high quality photographic equipment. Firm presently produces electronic instruments, electromechanical instruments, printed circuitry and photographic equipment. E. D. Selwood, Managing Director, Selcon Instruments Ltd., 13 Radford Crescent, Billericay, Essex CM12 0DG, England. P-75328.

3823, 3824, 3825—UNITED KINGDOM—Seeks licensing arrangement with U.S. firms involved in production of **electronic instrumentation** or any marketable electronic device. Firm manufactures and sales electronic instrumentation and special purpose machinery. Annual sales, about $1.5 million. J. G. Holbrow, Managing Director, White & Nunn-Datel Ltd., Unit 4, Station Approach, Fleet, Hampshire GU13 8Q7, England. P-75331.

3851—IRAN—Desires joint venture arrangement with American firm for manufacture of **optical frames.** Frames could be either plastic or metal construction or both. Firm owns factory in Yazd producing sunglass frames. Approximately $1 million will be required to establish optical section in factory. Extent of participation of U.S. firm is open for negotiation. Iranian company is primarily interested in U.S. firms that are capable of providing technical assistance. M. A. Rashti, Opthalco, 92 Aban Avenue, Tehran. Cable, OPHTALIRAN. P-75340. OPIC.

3949—FRANCE—Firm seeks licensing rights for manufacture of **pilots, aids for trawler fishing, lures and similar artificial baits.** Established 1931; sales territory covers world. Mouches Ragot, 2 blvd. de la Gare, 22600 Loudeac. WTDR. P-75332.

Licensing In U.S.

For additional information on these opportunities to manufacture foreign firms' products in the United States under a licensing agreement or in partnership, write the Investment Services Staff, Bureau of International Commerce, Room 4020, U.S. Department of Commerce, Washington, D.C. 20230 (202-967-2248) referring to appropriate file number.

GERMANY — Company is interested in locating U.S. licensee or joint venture part-

Licensing and investment proposals from foreign firms are listed in these columns. Specific product interests in each proposal are highlighted in bold type to facilitate identification and each proposal is preceded by the appropriate four-digit product number taken from the Standard Industrial Classification (SIC) Manual.

Background information on opportunities abroad and assistance on overseas investments are available from the Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. "P" numbers should be used when responding to any of the specific proposals listed.

WTDR indicates that a World Traders Data Report containing financial and background information on the foreign firm is available for $15 from the Export Information Division, Room 1313, U.S. Department of Commerce, Washington, D.C. 20230, or from any Commerce District Office.

OPIC indicates that the country involved is eligible for investment insurance coverage and financing from the Overseas Private Investment Corporation. Information regarding applicable coverage may be obtained from OPIC, Washington, D.C. 20527.

ner for production in U.S. of **high protein, wheat gluten-based foods.** Company claims its process produces a bread-type roll with one-tenth the calories of a normal roll. File 2748

GERMANY — Company is seeking U.S. licensee for U.S. manufacture of **machinery for recovery and reuse of polyvinylchloride waste.** File 2749

GERMANY — Company seeks cooperation with U.S. firm for assembly and distribution of **frameless picture mountings** in U.S. Firm is also willing to consider licensing manufacture of this patented mounting. File 2750

GERMANY — Company is interested in locating U.S. licensee to produce its **pumps for industrial, agricultural and household** use. File 2751

GERMANY—Company is seeking licensee, and possibly joint venture partner, in U.S. to manufacture its **concrete pumps and concrete placing booms.** File 2752

GERMANY—Steel producer is offering for manufacture in U.S. by U.S. company **steel-shot** for which it is well known. File 2753

INDIA—Inventor is looking for U.S. firm interested in manufacturing his **internal combustion engine cylinder** cut-off device to save fuel while operating trucks less than half full. Inventor has applied for Indian patent, but has not tested device's practicability. File 2754

NETHERLANDS—Company is offering for manufacture in U.S. its mobile, collapsible, uinterruptible, direct beam **transmitting antennae**—especially useful for emergency situations by police, firefighters, and military. File 2755

SWITZERLAND—Company offers its complete line of **kitchen equipment** including prefabricated metal partitions, shelves, refrigerators, stoves and other products for manufacture in U.S. File 2756

YUGOSLAVIA — Company is offering licenses for production in U.S. of its special **grain sower.** Sowing mechanism operates on rotating spiral principle, powered by pair of wheels. Seed feeding is regulated by separate spiral valve. File 2757

YUGOSLAVIA—Scientific research institute is offering licenses for its MP thin-film trimming **potentiometer,** subminiature, housed in a nickel alloy T05 cap. It is designed for use in industrial and control equipment, and in electronic computers. Reportedly, high quality of the resistive film and special design of slider make for long and defect-free operation. File 2747

YUGOSLAVIA—Scientific research institute in fields of vacuum technology, electric tubes, photo equipment, and automation equipment is offering licenses for its **sealing machine for production of reed contacts.** Machine allows complete automation of sealing process and adjustment of reed blades for optimum sensitivity. File 2758

Foreign Trade Inquiries

These trade opportunities are based on reports received from the U.S. Foreign Service—Department of State by the Trade Opportunities Division, Room 2323, U.S. Department of Commerce, Washington, D.C. 20230. The commodities in which foreign firms have interest are indicated by the five-digit numbers and commodity classifications which are from the Standard Industrial Classification (SIC) Manual and the Numerical List of Manufactured Products, 1972 Census of Manufactures.

U.S. firms should be aware that the listing in Commerce Today *of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the Department of Commerce pursuant to the Export Administration Act of 1969. Applicable export licensing regulations must be followed.*

Every effort is made to include only traders with good reputations. However, the Department cannot be responsible for any trade relations.

WTDR indicates that a World Traders Data Report on this specific firm is available at $15 from the Export Information Division, Room 1313, U.S. Department of Commerce, Washington, D.C. 20230. A WTDR is a trade profile which contains commercial information including financial references, on an individual foreign firm. Orders must include complete name and address of the subject firm and be accompanied by payment. Further information concerning WTDRs and request forms are available at each Commerce District Office.

The mark (•) indicates that this trade opportunity is a request for bids by a foreign government agency.

Direct Sales

Gathering of forest products

0849XXX — BELGIUM — Unvulcanized rubber in powder for use in vulcanizing rubber printing blocks. Corp. is producer of printing rolls. Its clientele mainly in Belgium. Medium sized firm of good reputation. Employs 30 & reports turnover 30 million BF. Reply to Mr. Boeckx, Mng. Dir., John Boeckx N.V., 84 Lamorinierestraat, 2000 Antwerpen. Phone 031/39 05 09; cable Joboekrol.

Coal

1211XXX — GERMANY — 100,00 m/t/yr. bituminous coal, low ash content, to be mixed with Iranian-produced coal to produce high-grade coking coal. Reply ASAP. Quote c.i.f Persian Gulf harbor. Shipment to be started mid-1975. German firm was established 2/75. Local credit sources, from limited data available, report no derogatory information on firm. Cable—Mr. Amighi, Technoplan GmBH, 4 Duesseldorf, Bismarkstr. 77. Postfach 8002. Cable: Techplanconsult; Tel: 0211-359550.

Dimension stone

141XXXX—GERMANY—Dimension stone, quartzite; crushed and broken stone quartzite; misc. nonmetallic minerals, n.e.c., quartz crystal (pure). West Berlin importer desires various types of quartz for both fine optic and general industrial use. Quartzite should be quoted kilo price, c.i.f. Hamburg. Pure quartz must be in whole pieces of 8 kilo each. Accounts to be handled over letter of credit. Reply to— Herrn Kurt Zimmerman, Kurt Zimmerman Export/Import, 1 Berlin 31, Bundesplatz 14. Telephone: 853 22 55.

Chemical, fertilizer mineral mining

14575XXX — BRAZIL — Phosphate rock, 20,000 tons/yr. Wants to import for own use. Large firm established 1942. Has registered capital of cruzeiros 3.5 million. Working capital of cruzeiros 30 million and reports 1974 sales volume of cruzeiros 15 million. Employs 30. Firm is reliable and progressive, enjoys good reputation and is recommended for credit concessions. WTDR under preparation. Reply to— Daldemar Peixoto, mgr., Emprea Industrial Lucaia Ltda., Rua Miguel Calmon, 63-6.0 Andar, 40000 Salvador, Bahia. Cable: Lucaia, P.O. Box 694, telephone: 2-3345.

Heavy construction

• **16200—TURKEY**—Devlet Su Isleri Genel Mudurlugu (DSI) invites joint ventures of Turkish and foreign firms to submit prequalification data for construction of Lower Ceyhan-Cevdetiye Irrigation and Drainage Project, financed by IBRD. Project involves: various excavation; earth compaction; tunnel excavation; canal lining; concreting for hydraulic structure in higher dozage; tunnel concreting. Interested firms requested to submit following prequalification data: necessary documents showing firm has constructed large irrigation and drainage systems; documents indicating tunneling experience; experienced management and technical personnel to be assigned project with detailed curricula vitae experiences; list of equipment on hand and to be procured to undertake project; statement of similar projects done by firm, est. costs, beginning and completion dates, names of owners and late progress payments; capital, annual turnover and approved balance sheet for last fiscal year; reference letters from banks and other institutions. In case of joint venture with Turkish firm, each firm is requested to submit its own prequalification data. Submit to DSI, Proje ve Insaat Dairesi Baskanligi, Yucetepe Mahallesi—1. CADDE, Gulhane, Ankara, by July 15.

• **16200—SOUTH AFRICA**—Government invites civil engineers to bid for widening of Charl Malan Quay, Port Elizabeth Harbour, dredging approaches and extension of breakwater, including design and construction of certain works. Tender No. CM442 available for R40 from following offices: Chief Civil Engineer, Rm. 284, Tippett Bldg., Johannesburg; Administration Counselor at South Africa House, Trafalgar Sq., London, WC2; South African Railway Representative, 71 South Central Ave., Valley Stream, N.Y. 11580; and System Manager, Rm 401, F. C. Sturrock Bldg., Port Elizabeth. Bid deadline July 18.

Wood products

• **24910 — MOROCCO** — Government requests bids for 32,200 railroad crossties and 14,675 pieces of hardwood rough lumber. Both items to be oak, Azobe, or similar quality species. Quote c.&f. or f.o.b. (c.i.f. bids will be rejected). Prices to be for untreated wood. If wood to be treated, cost of treating to be quoted separately. Creosoting must conform to ruping process. Bid deadline July 14. Correspondence preferred in French. Contact: Monsieur Le Chef Du Service Administratif, Division Approvisionnements,

Office National Des Chemins D Fer (ONCF), 2, Rue Halab, Rabat.

Pulp mills

• **26100—IRAN**—Iranian Tobacco Co. requires requires 250,00 kilos of white paper in sheets 72 x 90 cm. wide. Of this total 200,000 kilos are to have substance of 80 grams/M2±2, 50,000 kilos of 60 grams/M2±2. Bid deadline July 5. Copy of tender containing complete specification and conditions available from Construction and Forest Products Division, Room 2113, U.S. Department of Commerce, Washington, D.C. 20230, 202-967-3534.

Converted paper, paperboard products

• **26400—IRAN** — Telecommunications Co. of Iran (TCI), Kourosh Kabir Ave., Basim Pahlavi, wishes to purchase 168 million pieces of paper sleeves in various sizes, and 42,000 rolls of 25 meter paper tape on basis of c.&f. delivery at Khorramshahr, Bandar Shahpour, or Julfa. Applicants should pay Rls. 1,000 to account No. 90018 of Bank Melli Iran Farah Branch as fee for receipt of tender documents, which should then be signed, attached to application, and handed to General Secretariat Department of TCI at above address. Tender notice No. 53/110. Bid deadline June 17.

Steel mill products

• **33100—HONDURAS**—10,000 ft. carbon steel water pipe of 12, 10 and 8-inch diameters. Tender No. 401-S03-75; bid deadline June 13. Servicio Autonomo National de Acueductos y Alcantarillados (SANAA), Edificio Ministerio de Salud Publica, 20 Piso, Tegucigalpa. Tender documents available at above address at $25 (50 lempiras) per set.

• **33100—GHANA**—9,240 ft. (2,800 meters) steel pipe for water mains, 16-inch diameter with fittings and accessories; 58,000 ft. (17,700 meters) steel or ductile spun iron pipes for water mains, 20-inch diameter with fittings and accessories. Tender No. WWD 3300; bid deadline July 28. Civil Engineering Stores, Ghana Supply Commission, P.O. Box M-35, Accra. Tender documents available at above address for $130.

• **33100—SRI LANKA**—100 mt high tensile cold rolled steel strapping. Tender No. COM/TEN/75/46; bid deadline June 19. Sri Lanka State Trading Corp., 119 Wekande Rd., Colombo 2. Tender documents available from Iron and Steel Program, BDC, U.S. Department of Commerce, Washington, D.C. 20230, 202-967-2438.

Rolling, drawing, & extruding of nonferrous metals

• **35500—SYRIA**—Supply of copper wire for winding electrical circuits. Tender No. 393; bid deadline July 19. Public Electricity Establishment, Al-Mutanabi St., Damascus. Tender documents available at above address at L.S. 25 (US $1 equals 3.65 L.S.)

Special industry machinery

• **35510—MALAYSIA**—Turnkey project for integrated rice mill including drying and milling equipment. Interested firms contact: Ayahudin Rahman, Director, Tristar Engineering Sdn. Bhd., Lot 1 Bangunan Simaco, Jalan 223 A, Petaling Jaya, Malaysia. Phone 773-708.

3552198—BELGIUM — Textile machinery: micro-tufting machines to produce upholstery velvets. Dir. sale & agency. Firm believes there is large market in Belgium for this type of micro-tufting machine & states it has 10 large & 20 medium-sized Belgian textile firms among clients. One of most important suppliers of textile machinery & parts for Belgian textile industry. Reply to—Mr. W. Derck, Mgr., Braun Freres S.P.R.L., Martelaarslaan 210, Ghent. Phone 091/15 22 27; telex 9/277.

3553049—MEXICO—A) Machine sys. that produces kraft paper bags for cement & fertilizer, with capacity of 10,000-40,000 met. tons paper annually. System should make bags using up to 6 sheets of paper, with bag tops, of either sewn or valve variety. Valve variety reported to be newly on market. B) Machine that produces kraft paper bags of supermarket variety. Bags should be flat-bottomed, self-standing, & of normal commercial size. Machine capacity should be 3,000-5,000 met. tons annually kraft paper. Large mfg. firm which sells throughout Mexico. Vendor would be expected to install equip. Bank ref. Banco de Comercio. Reply to Ing. Guillermo Von Bertrab, Rual, Ibsen No. 12, Mexico 5, D.F. Tel. (95)540-7190.

35540—EGYPT—Supply of two units of machinery for manufacture of textile cones. No fixed deadline. Tender documents to be issued by: Paper Converting Company "Verta," P.O. Bacous, Alexandria, Egypt. This is a public sector company affiliated with Egyptian General Organization for Chemical Industries.

3559589—MEXICO — Machinery to compress (using pressure) into standard size bricks about 9 x 4½ x 2 in.) animal feed consisting of dried sugar cane forage impregnated with 15 percent molasses. Min. of 12 machines needed 1st yr., 220v, 60 cycle, 3 phase. Approx. cap. needed of 4500 lbs./hr. Purpose of compressing to increase bulk density of material to lower transp. cost. Co. incorporating machines into livestock feed system which will be sold through Gov't. of Mexico's dev. agency, Nacional Financiera, S.A., to Mexican livestock feed mfrs. Min. of 12 systems expected to be sold 1st yr. with large potential mkt. in future both in Mexico and overseas. Estab. 1971 to produce forage food dryers of Mexican design. A major conclusion of 3 yrs. research and design is to utilize est. available 7 million tons cane-tops presently being wasted. Purchases expected to be made by L/C guaranteed by Nacional Financiera. Appears to be satisfactory trade contract. WTDR in prep. Est. value $500,000. Reply to Fernando Bonilla, Engineer & Gen. Mgr., Secado Artificial, S.A., Pablo Neruda 2276, Guadalajara, Dalisco, Mexico. Tel. 166392.

Office, computing, accounting machines

• **35730 — VENEZUELA** — Simon Bolivar University opened bids for supply and installation of information and computation center. Bid deadline June 15. Companies interested in participating may obtain details from Oficina Ejecutora Proyecto USB BID, Seccion Academica de Equipamiento, 3er Piso, Edificio de Matematicas y Sistemas, Universidad Simon Bolivar, Baruta, Estado Miranda, Caracas.

Electric transmission, distribution equipment

• **36110—CHILE**—Empresa Nacional De Electricidad S.A. (Endesa), Santa Rosa 76, Santiago, has issed Tender No. BID 267/OC-CH 02934 for measuring equipment such as analog and digital testing equipment, ancillary electricity measuring transformers, and oscilloscopes, connectors, converters and traducers. Bid deadline July 30. Copies of tender announcement and specifications available from above address for about $12.

• **36110 — COLUMBIA** — Empresa de Electrica De Bogota, Calle 13 No. 37-35, OF. 216, Bogota, has issued Tender No. Licitacion Publica Internacional PS-75/16/17-IDBAGO for measuring instruments and parts. Bid deadline June 16. Copy of specifications available from above address for $17.

• **36110 — INDIA** — Director General of Supplies and Disposals, Jeevan Tara Bldg., Parliament St., New Delhi-110 001, has issued Tender No. 2/212/82/035/4.11.74/II for relay panels and portable relay testing sets. Copy of specifications available from India Supply Mission, 2536 Mass. Ave., NW. Washington, D.C. 20008, 202-265-5200.

• **36130 — INDIA** — Chief Purchase Officer, Beas Purchase Organization, Talwara Township, Dist. Hoshiarpur, Punjab 144216, has issued Tender No. IDA/BCB/27/Global for design, manufacturing and supply of outdoor station type 420-KV isolators and isolator-cum-earthing switches. Bid deadline July 21. Copies of tender announcements and specifications available from above address for $13.75. Send draft drawn on State Bank of India, Talwara Township, in favor of Assistant Accounts Officer.

• **36130—INDIA** — BEAS Purchase Organization, Talwara Township 144216, Dist. Hoshiarpur, Punjab, has issued Tender No. IDA/BCB/27/Global for design, manufacture and supply of outdoor station type 420 kv. isolators and isolator-cumearthing switches for use at 400 kv. substations. Bid deadline July 21. Tender documents available at above address for $12.50 or tender notification available on short-term loan basis to firms located in U.S. from Science & Electronics Div., BDC 466, Room 1001, U.S. Dept. of Commerce, Washington, D.C. 20230, 202-967-5569.

Electrical industrial apparatus

• **36200 — CAMEROON** — Two complete low-speed 250 kw generating sets. Equipment includes: two 750 rpm max diesel engines, two syncronous alternators with directly coupled exciter, and switchgear for 220/380 v—50 cycle, AC operation. Tender No. 1-TG/NG MAMFE Powerplant. Bid deadline June 30. Cameroon Electricity Corp., Mr. Takang, General Manager, C.P.M.B. 28, Victoria. Tenders to be prepared in English (10 copies) and French (6 copies). Delivery time will be factor. Penalty of ¼ of one percent per week will be charged in case of late delivery. One copy of tender documents, including specifications, on file in Room 2814-A, Transportation and Capital Equipment Division, BDC, U.S. Department of Commerce, Washington, D.C. 20230, 202-967-5652.

Communications equipment

• **36610 — IRAN** — Iranian State Railways, Tehran, has issued Tender No. 2388/53 for 200 field telephone sets. Bid deadline June 18. Copy of specifications available on short-term loan basis to firms located in U.S. from Science and Electronics Division, BDC-466, Room 1001, U.S. Dept. of Commerce, Washington, D.C. 20230, 202-967-5569.

• **36620 — INDIA** — Posts and Telegraphs Department, Dak Tar Bhavan, Parliament St., New Delhi, has issued Tender No. 12/121/75-MMD for two sets of 13 GHZ digital radio equipment comprised of RF channels in 1 plus 1 configuration with provision for automatic switching, PSK modulator and demodulator, and multiplexer. Bid deadline July 8. Copies of tender announcement and specifications available from Assistant Director General, Room 514, P&T Department, MMD Section, by sending crossed demand draft for $2.74 drawn in favor of Section Officer, C&A, Office of the Director General, or on short-term loan basis to firms located in U.S. from Science and Electronics Div., BDC-466, Room 1001, U.S. Dept. of Com-

merce, Washington, D.C. 20230, 202-967-5569.

• **36620—LIBYA**—Meteorology Dept., Ministry of Communications, invites specialized suppliers and contractors to bid for supply and installation of radio system between Tripoli, Benghazi, Jaghaboub, Tazerbou,, Jalou, Nalout, Hon and Gariat, for exchanging meteorological information. Bid deadline June 15. Tender documents available for $72 from Dept. of Meteorology, Ministry of Communications, Shara Assaydi, P.O. Box 673, Tripoli.

Electrical machinery, equip., supplies

• **36930—IRAN**—Iranian State Railways, Tehran, has announced Tender No. 3220-3222-3221-2373/53 for 4 radiology units. Bid deadline June 28. Copy of specifications available on short-term loan basis to firms located in U.S. from Science & Electronics Div., BDC-466, Room 1001, U.S. Dept. of Commerce, Washington, D.C. 20230, 202-967-5569.

Railroad equipment

• **37400—BRAZIL**—Supply of 600 railroad car trucks and 300 automatic brake regulators. Bid deadline July 3. Rede Ferroviaria Federal S.A., Departamento Geral de Material, Praca Duque de Caxias, 86, 20000 Rio de Janiero. International tender, financing by IBRD. Copy of specification (in Portuguese) available for examination in Room 1128, U.S. Dept. of Commerce, Washington, D.C. 20230.

• **37400—BRAZIL**—Supply of rail track machinery, including 309 saws, 314 drilling machines, 573 tie boring machines, 84 power wrenches, 2692 line jacks. Bid deadline June 19. Rede Ferroviaria Federal S.A., Departamento Geral de Material, Praca Duque de Caxias, 86, 20000 Rio de Janeiro. Financing by IBRD. Copy of specification (in Portuguese) available for examination in Room 1128, U.S. Dept. of Commerce, Washington, D.C. 20230.

Toys and amusements, sporting and athletic goods

394581, 9913399 — AUSTRALIA — Firm needs full details on establishing regulation tennis ball mfg. facility. Proposals needed immediately. Reply to C. R. Gosbell, Gen. Mgr., Parkhill, Lithgow & Gibson, Chartered Accountants, 500 Collins St., Melbourne, Victoria 3000.

Scrap materials

50930XX—TAIWAN—Scrap aluminum, 50-100 tons/mo., for one big aluminum ingot smelter. Material should be compacted and baling pressed. End user is Tien Chin Metal Co., Ltd., Taipei, reputable and major supplier of aluminum ingots, in this business for 25 years. President of Trading, family relative, has imported above goods from Japan and Hong Kong in past. Reference: Hua Nan Commercial Bank Ltd., Sung Shan Branch, Taipei. Also interested in other nonferrous metal, such as scrap copper, brass, bronz, zinc, tin and lead. Reply to—Joseph C. Chang, Pres., President Trading Co., Ltd., 5, Allye 2, Lane 421, Sung Shan Road, Taipei, Taiwan (105). Cable Prestradco; tel 761-6553.

Antique, secondhand stores

59330XX—TOGO — Used clothing. Firm deals mainly in used clothing and textiles. Annual sales volume about $213,000. 13 employees. Price quotations requested c.i.f. Lome. Reply to Mr. E. E. Okoji, Mgr., I. Onwuka & Bros, 27 Rue Guillemard, B.P. 2159, Lome.

Motion picture production, distrib.

• **7813XXX — KUWAIT** — Interested in expanding contracts with U.S. distributors of feature-length films. Country currently rents approximately 120 U.S. films from distributors headquartered in Beirut but interested in contacting U.S. distributors directly. Write: Yusuf Hamad Almeer, Gen. Mng., Kuwait National Cinema Co., P.O. Box 502, Kuwait, or William A. Stoltzfus, Jr., U.S. Embassy, P.O. Box 77, Kuwait.

Representations

Foreign private firms are interested in agency agreements and/or distributorships for these products.

Converted paper, paperboard products

2645153 — FRANCE — Die-cut paper & board—3¼ x 7⅜", unprinted or printed on one side in any color ink. WTDR 3/75. Agency & distr. Reply to—Robert Garniche, Mgr., Intek-France, 12, Rue Jules Gourie, 94320-Thias. Telex 27.239; phone, 684-73-71.

Heating apparatus, plumbing fixtures

3434329—JAMAICA—Hot plate unit of steel casing, vitreously enameled. Complete unit should consist of 2 interlinked solid plates with diameters of 6" & 7¼" respectively, 1 above other. Should be capable being operated simultaneously or separately. 110 volts, single phase. Excl. agency. Reply to—Percy Lee, Mgr., Percy Lee Appliances, Ltd., 20 Church St., Kingston, Jamaica W. 8.

Special industry machinery

3551349 — PHILIPPINES — Sugar mill equip. & supplies. Trading co. of Assoc. of Integrated Millers. Purpose is to supply requirements of members composed of 10 sugar mills having capacity of 38,000 tons/day. Reply to—Antonio L. Kilayko, Asst. Mgr., Integrated Millers Co., Inc., Silay City, Negros Occidental, Philippines 6034.

Scrap & waste materials

50930XX—KOREA — Waste paper, 2,000 ton/mo. KBDC is new firm. Between Jan. and March 1975, reported business volume was about $60,000. C. H. Sohn was formerly officer of Korea Paper Manufacturers Association. Reply to Mr. Sohn Chung-Hyun, Korea By-Products Development Corp., Rm. 403 Yongwha Bldg., 18-1, 4-ka, Namdaemun-Ro, Chung-Ku, Seoul 100. Cable: Byprolabo Seoul; tel. 28-5909; 28-5908.

5093XXX — ITALY — Iron scrap and waste materials; automotive wrecking for scrap. Est. annual potential sales: $1 to $2 million. Quotations: C.I.F. Italian ports. Payments: Irrevocable letter of credit. Rusconi Metalli is a small importer-wholesaler of ferrous and non-ferrous metal scraps. Employs 7 and occupies 10,000 sq. meters. Bank report states that firm does a considerable amount of business and proceeds regularly. Mr. Rusconi, owner, enjoys good personal reputation. Reply to Claudio Mascialino, Rusconi Metalli S.A.S., 25014 Castenedolo, (Brescia). Telex: 30358; Phone: 030/2731417.

Antique, secondhand stores

5931XXX—AUSTRALIA — Antique furniture. Reply to—K. J. Ackland, Accountant, K. J. Ackland & Co., 114 Yarra St., Geelong, Victoria 3220. Phone 052/97191.

Future Construction Abroad

BOLIVIA—Comite de Obras Publicas de Santa Cruz is completing a feasibility study to produce **tins cans from tin plate.** Equipment tender expected to be released August. Plant will have following output: size 102 MM dia., height 120 MM, yearly output 4,680,000 cans; height 145 MM, yearly output 2,800,000 cans, to package pineapple, hearts of palm and cooking oil. Size 56 MM dia., height 72 and 82 MM, yearly output 790,000 cans, to package tomato juice, whole and concentrate. Size 73 MM dia., height 113 MM, yearly output 87,000 cans, to package tomato (whole, juice and concentrates). Size 185 MM dia., height 215 MM, yearly output. 1,700 000 cans, to package cooking oils. Plant will include one color lithographic printing equipment and ovens to dry inks and machinery to produce tin lids. Additional information can be obtained from, and interested firms should forward introductory letter and literature to: Ing. Raul Quintela Vaca Diez, Presidente, Comite de Obras Publicas de Santa Cruz, Santa Cruz de la Sierra, Bolivia. OPIC.

PERU—Firms interested in **CENTROMIN expansion program** which includes various separate projects (as follows) should contact B. H. Wadia, Manager, CENTROMIN, Central Planning Div., 981 A. Wiese, Lima 1: new concentrator; new zinc roaster and addition of electrolytic cells for zinc circuit; pilot plant for treatment of "PACO" minerals-matagente; enlargement of mine & concentrator—Cerro de Pasco; expansion of mine & concentrator—Casapalca; expansion of mine & concentrator—Cobriza; new smelter & lead refinery—Morococha; increase of production of copper circuit—La Oroya; new plants for treatment of anodal residue; mine water treatment plant—Cerro de Pasco; Toromocho complex; increase in production of zinc—La Oroya; Paucartambo hydroelectric plant. Basic information on each project available from U.S. Department of Commerce, Trade Opportunities Program, Rm 2321, Washington, D.C. 20230.

PERU—Irrigation Rehabilitation Project in coastal valleys is first of series of projects aimed at increased food production. First stage includes six valleys: Mala, Canete, Pisco, Camana, Majes and Tambo, and will affect about 18.000 hectares. Engineering studies, in varying degrees of preparation depending on valley, are available. Feasibility study still being prepared by Ministry of Agriculture, Av. Salaverry (Ministerio de Trabajo), 9 Piso, Lima, with FAO/IBRD assistance. FAO/IBRD planning to send a team to Peru in December to review feasibility study. Total estimated cost $25.8 million, $15.5 million financed externally. Foreign exchange component not yet determined.

INDIA—UNDP is financing a $2.45 million pre-investment study of **water supply and drainage plans for Madras** and is awaiting final Gov't of India clearance. Target date for beginning study is Oct. 1. Purpose is to work out a long-range development plan for water supply and sewerage facilities in Madras, and to prepare feasibility studies for bankable components. World Bank has agreed to finance bankable projects within overall plan as identified. Pre-investment study could provide opportunities for foreign consulting engineers in both design and man-

agement. World Health Organization (WHO), Avenue Appia, 1211 Geneva 27, is executing agency, while Tamil Nadu Water Supply and Drainage Board is cooperating agency. Interested U.S. firms should approach WHO directly.

KOREA—The Office of Supply, Republic of Korea (OSROK) is inviting tenders from qualified companies to design, manufacture, supply and erect a **coal handling installation** for the port of Busan. Estimated at $5.6 million and to be let on a unit price, lump sum basis, installation consists of: a) Two gantry type ship unloaders, each with capacity of 300 tons per hour; b) A transfer conveyor of 600 tons per hour capacity along a quay approximately 130 meters long, including supports; c) A collector conveyor between two coal stacking areas of 600 tons per hour, capacity routed via tripper of the stacker/reclaimer, approximately 260 meters long, and elevated at one end to a set of truckloading hoppers and associated equipment, including supports and conveyor bridge; d) One stacker/reclaimer with stacking capacity of 600 tons per hour and reclaim capacity of 400 tons per hour; e) A set of six truckloading steel hoppers, each with a capacity of 50 cubic meters, with distributing equipment; and f) Complete electrical and control equipment and connections for above installation. Tender documents including criteria and specifications can be obtained from Busan Port Authority (BPA), 46-63, 3rd St., Daechang Dong, Dong Ku, Busan, after June 23. Pre-tender meeting is July 23, at same location, and tenders must be submitted to Office of Supply, Seoul, by Sept. 26. Any questions should be directed to consultant, Lyons Associates, Inc., P.O. Box 559, Kwanghwamoon, Seoul. OPIC.

COLOMBIA—The Fondo Vial Nacional (National Road Fund) will issue tenders for **five road construction projects** in the next 2-3 months. Prequalification registration is now open. These 5 tenders are a portion of a program to improve and pave 560 km. of roads in northeast Colombia. Additional information and prequalification forms can be obtained from Ministerio de Obras Publicas, Division de Programas y Contratacion. Centro Administrativo Nacional, Can. Of 339, Bogota. Prequalification forms can be reviewed at Export Information Reference Room, Room 1063, Department of Commerce.

INDIA—The Government approved a project to establish **five tomato paste (puree) plants** with Bulgarian technical know-how and has requested World Bank financial assistance. Sponsored by Clean Food Corp., Bangalore, project envisages establishment of plants at Rahuri, Maharashtra (100 metric tons a day), Andhra Pradesh, Tamil Nadu and two in Karnataka State. Output is slated for export to Bulgaria and Malta. OPIC.

POLAND—To alleviate present shortage of hotel space in Krokow and to prepare for expected growth of tourism over next 15 years, the Krakow Project Office (MBP), Krakow, has begun a five-year **hotel construction program,** to be carried out in two overlapping phases. A list of planned hotel construction and a map of area showing key hotel sites available from U.S. Dept. of Commerce, Trade Opportunities Program, Rm. 2321, Washington, D.C. 20230, 202-967-2251.

GUYANA—Construction commenced on **road leading to proposed Upper Mazaruni Hydro-electric Project.** If all goes well, road could be completed in four years. A Yugoslav company, Enerqoproiekt, designed the hydroelectric scheme. The government has already ordered some U.S. equipment, but additional heavy roadbuilding equipment will be needed. Further information available from Hydropower Div., Ministry of Energy and Natural Resources, Brickdam, Georgetown. OPIC.

INDIA—The government has received a $109 million line of credit from IDA to finance construction of a **fertilizer plant** at Phulpur, in Uttar Pradesh, to produce 900 metric tons of ammonia and 1,500 metric tons of urea per day. Plant will be owned and operated by Indian Farmers Fertilizer Cooperative Ltd. (IFFCO). Feedstock for the plant will be heavy fuel-oil, and coal will used for steam and power generation. Ammonia plant will be single-train installation using three partial oxidation units and one air separation unit. Urea plant will be of single-train design using prill tower. Total cost est.. at $220.5 million, and principal foreign exchange expenditures will be incurred on import of equipment and spares ($65 million). Equipment likely to be imported will include coal fired boilers, compressors, pumps, turbines, pressure vessels, high pressure piping, valves, heat exchangers, evaporators, tanks, separators, towers, reactors, strainers, instruments and accessories. Potential suppliers of equipment will have to meet prequalification requirements for registration established by IFFCO. Paul Pothen, Managing Director, IFFCO, N-11, NDSE Part I, New Delhi 110049, has overall responsibility for project. OPIC.

GREECE—The government has applied for loan from IBRD for proposed **construction of Ferres-Kastania road** at a cost of about $15 million, of which IBRD would contribute $5.4 million; **repair and improvement of Patras-Olympia road** at about double the cost of Ferres-Kastania road. Agency to be contacted: Ministry of Public Works, General Directorate of Transportation Projects, 182 Harilaou Trikoupi St., Athens. OPIC.

GREECE—IBRD-financed **Irrigation III Project** involves irrigation of 160 000 stremmas (40.000 acres) in an area reclaimed from Visthonis Lake, between Xanthi and Komotini, in northern Greece. Irrigation would be effected from deep wells. Preliminary report has been prepared by Greek Government services. IBRD loan is expected to range from $20-$30 million. Opportunities for U.S. firms include furnishing of consulting services, engineering, supply of deep well pumps, motors, well casings, and screens, pumping stations, pipes, sprinkler sets, etc. Agency to contact: Ministry of Public Works, Hydraulic Works Service. 7 Themistocleous St., Athens. The **Urban Sewage Development at Thessaloniki & Volos** project is at a very preliminary stage and the Greek Government will submit feasibility study and related data for IBRD consideration. Agency to contact at this stage: Ministry of Coordination, General Directorate of Public Investment, 13 Xenophontos St., Athens. OPIC.

MEXICO—Mexican electric power industry continues to grow in response to record demand. The **Federal Electric Commission's ambitious expansion program** calls for substantial investment expenditures and development of new energy resources. Emphasis will shift from petroleum-based energy production to nuclear and hydroelectric power. Expansion will require extensive foreign financing while costs increase and power rates remain stable. U.S. suppliers interested in bidding on projects should contact one of the following individuals at Federal Electric Commission, Rodano 14, Mexico 5, D.F.: Lic. Enrique Vilar, General Manager of Finance; Ing. Alfredo Granados Ordonez, General Manager of Supply and Construction; Ing. Hugo Viso, General Manager of Credit.

The Overseas Private Investment Corp. (OPIC) offers political risk insurance to U.S. construction firms planning to submit bids on projects in certain developing countries, identified by the "OPIC" notation at the end of some items. For further information on OPIC's construction insurance program, write Information Officer, Overseas Private Investment Corp., Washington, D.C. 20527. Tel: 202-632-1854.

JORDAN—Jordan Phosphate Mines Co. (owned by Jordan Government) will be implementing agency for planned **expansion of phosphate mining.** Plans are being made for addition of two mill sites, either at existing mines at El Hasa, or new site further south. Over the next few years the expansion of facilities, primarily beneficiation plants, dryers and heavy earthmoving equipment, will cost an est. $120 million. Interested exporters should contact Thabet Taher, General Manager, Jordan Phosphate Mines Co., P.O. Box 30, Amman. OPIC.

GREECE—The Ministry of Coordination has announced Greece's **Education III Project** which includes establishment of 10 multilateral secondary schools, 4 accelerated vocational training schools, 3 technical colleges and some teacher training schools. The Greek government has applied for financing to IBRD. Project estimated at $90-$100 million, of which IBRD would contribute $40 million to finance equipment and supply purchases, certain studies and technical assistance. Agency to be contacted at this stage: Ministry of Coordination, General Directorate of Public Investment, 13 Xenophontos St., Athens. OPIC.

HONG KONG—Government is expected to approve construction of another **resort project** on Lantao Island, 666,000 sq. ft. at Tai Long Wan. Will be developed by Dragon Bay (Crow Pope International Group). Est. cost is US$20 million, including land. Project will comprise 350 units of hotel-type rooms and self-contained apartments, 13 tennis courts and two swimming pools. U.S. firms should write James Moulton Hawes, Dir., 7th Fl., Lok Yuen Bldg., 25 Des Voeux Rd., C., Hong Kong.

New Construction Summary

A quarterly summary of future construction projects abroad, contract award stories and significant foreign government tenders published in *Commerce Today* and *Commerce Business Daily* during October, November, and December 1974, is available to U.S. firms from the U.S. Department of Commerce, Trade Opportunities Program, Rm. 2321, Washington, D.C. 20230.

A pre-addressed mailing label should be included with the request to facilitate processing and mailing. The summary, which may also be reviewed at any of the 43 Commerce District Offices, alphabetically lists project summaries by country in five classes: airport, seaport, railroad and highway projects; hydro and thermal electric plant and irrigation projects; hospital, hotel and housing projects; industrial plant projects; and comprehensive development projects. Whenever possible, names of contractors and responsible agencies are cited, as well as original publication dates.

A limited number of copies of the third quarter 1974 summary are also available upon request and will be distributed on a first-come basis.

☆ U.S. Government Printing Office: 1975, 582-690/23

Commerce Department Directory

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ALBUQUERQUE, N.M., 87101, Room 316, U.S. Courthouse (505) 766-2386.

ANCHORAGE, 99501, 632 Sixth Ave., Hill Bldg., Suite 412 (907) 265-4597.

***ATLANTA,** 30309, Suite 523, 1401 Peachtree St., NE. (404) 526-6000.

BALTIMORE, 21202, 415 U.S. Customhouse, Gay and Lombard Sts. (301) 962-3560.

BIRMINGHAM, ALA., 35205, Suite 200-201, 908 S. 20th St. (205) 325-3327.

BOSTON, 02116, 10th Floor, 441 Stuart St. (617) 223-2312.

BUFFALO, N.Y., 14202, Room 1312, Federal Bldg., 111 W. Huron St. (716) 842-3208.

CHARLESTON, W.VA., 25301, 3000 New Federal Office Bldg., 500 Quarrier St. (304) 343-6181, Ext. 375.

CHEYENNE, WYO., 82001, 6022 O'Mahoney Federal Center, 2120 Capitol Ave. (307) 778-2151.

***CHICAGO,** 60603, Room 1406, Mid-Continental Plaza Bldg., 55 E. Monroe St. (312) 353-4450.

CINCINNATI, 45202, 8028 Federal Office Bldg., 550 Main St. (513) 684-2944.

CLEVELAND, 44114, Room 600, 666 Euclid Ave. (216) 522-4750.

COLUMBIA, S.C., 29204, Forest Center, 2611 Forest Dr. (803) 765-5345.

***DALLAS,** 75202, Room 3E7, 1100 Commerce St. (214) 749-1515.

DENVER, 80202, Room 161, New Custom House, 19th and Stout Sts. (303) 837-3246.

DES MOINES, IOWA, 50309, 609 Federal Bldg., 210 Walnut St. (515) 284-4222.

DETROIT, 48226, 445 Federal Bldg. (313) 226-3650.

GREENSBORO, N.C., 27402, 203 Federal Bldg., W. Market St., P.O. Box 1950. (919) 275-9111, Ext. 345.

HARTFORD, CONN., 06103, Room 610-B, Federal Office Bldg., 450 Main St. (203) 244-3530.

HONOLULU, 96813, 286 Alexander Young Bldg., 1015 Bishop St. (808) 546-8694.

HOUSTON, 77002, 201 Fannin, 1017 Federal Office Bldg. (713) 226-4231.

INDIANAPOLIS, 46204, 355 Federal Office Bldg., 46 E. Ohio St. (317) 269-6214.

KANSAS CITY, MO., 64106, Room 1840, 601 E. 12th St. (816) 374-3142.

LOS ANGELES, 90024, 11201 Federal Bldg., 11000 Wilshire Blvd. (213) 824-7591.

MEMPHIS, 38103, Room 710, 147 Jefferson Ave. (901) 534-3213.

MIAMI, 33130, Rm. 821, City National Bank Bldg., 25 W. Flagler St. (305) 350-5267.

MILWAUKEE, 53203, Straus Bldg., 238 W. Wisconsin Ave. (414) 224-3473.

MINNEAPOLIS, 55401, 306 Federal Bldg., 110 S. Fourth St. (612) 725-2133.

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